

# SUSTAIN

## SUSTAINABILITY REPORT

# ABILITY



Lidl Ireland / Northern Ireland  
Financial Year 03.2018/02.2019

# WHAT'S INSIDE



This sustainability report for Lidl Ireland and Northern Ireland, covering the financial year 2018 (1st March 2018 – 28th February 2019), was prepared in accordance with the Global Reporting Initiative (GRI) Standards – Core Option. The report summarises our strategic goals, activities and projects that have significant economic, social and environmental impact. We will be reporting using the GRI Standards every two years going forward.

We produced this report to be transparent and show how we are proactively contributing to sustainable development. Compliance of this report has been verified for selected disclosures by an external auditor – EY.

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➤ To learn more about our approach to sustainability please contact [CSR@lidl.ie](mailto:CSR@lidl.ie) or visit our dedicated websites [lidl.ie/CSR](http://lidl.ie/CSR) and [lidl-ni.co.uk/CSR](http://lidl-ni.co.uk/CSR)

<sup>△</sup> This symbol will feature beside all audited indicators.

# MESSAGE FROM OUR MD



**OUR "A BETTER TOMORROW" SUSTAINABILITY STRATEGY HARNESSES OUR MISSION, ENSURES FUTURE VALUE CREATION AND DRIVES OUR RESPONSIBILITIES TO SOCIETY.**

**J.P. Scally**, Managing Director at Lidl Ireland and Northern Ireland

**AT LIDL, WE PROVIDE HIGH QUALITY PRODUCTS AT MARKET LEADING VALUE, THROUGH A BUSINESS MODEL DESIGNED FOR EFFICIENCY AND BUILT ON LONG-TERM PARTNERSHIPS. THROUGH OUR DEDICATED TEAM AND EXCEPTIONAL VALUE PROPOSITION WE SEEK TO ENHANCE THE LIVES OF OUR CUSTOMERS, IN HUNDREDS OF COMMUNITIES ACROSS THE ISLAND OF IRELAND. WITH 162 STORES IN IRELAND, 38 STORES IN NORTHERN IRELAND AND TWO MILLION CUSTOMERS PASSING THROUGH OUR DOORS EVERY WEEK, WE HAVE ESTABLISHED DEEP LOCAL RELATIONSHIPS. WE STRIVE TO MAKE A POSITIVE DIFFERENCE IN THESE COMMUNITIES, CREATING SHARED OPPORTUNITY AND VALUE.**

Our **A Better Tomorrow** sustainability strategy harnesses our mission, ensures future value creation and drives our responsibilities to society. Corporate Social Responsibility in Lidl means acting responsibly, leading by example, striving for positive environmental stewardship, making an impact in communities and supporting and engaging with all our stakeholders – colleagues, customers, partners, suppliers, civil society, and non-governmental organisations (NGOs).

As a leading food retailer, we recognise the demand we place on agricultural resources, our impact on the environment through our operations, as well as the influence we have on our suppliers' practices. We understand that we have the responsibility to build a successful, sustainable future – not just for our business but for our employees, the customers we serve, suppliers we collaborate with and the communities we reach.

We believe it is important to be transparent and report measurable and comparable impact. Last year we published our first sustainability progress update report to share our commitments, progress and goals with our stakeholders. This year we are delighted to share our first sustainability report in accordance with GRI Standards. GRI is an international standard for reporting sustainability and is the most reputable and standardised framework used worldwide.

I am proud of the effort our teams have made over the past year. Most notably, the development of our Renewable Energy Programme to reduce our climate impact, our progress on sustainable packaging, food redistribution and the development of our human rights policies. While we are proud of our accomplishments, we know there is always more we can do – and we are constantly building on our initiatives and targets. With this report, we are looking forward to sharing our results to date as well as our goals. I look forward to sharing our progress and the challenges we face in the broad area of sustainability.

With Brexit our business and suppliers could face unprecedented challenges in the year ahead. Our approach is to prepare for every eventuality, by working closely with industry experts and supporting and engaging our supplier network. I firmly believe that our strong company ethos of efficiency and building long-term relationships will stand to us.

I hope you enjoy reading this report and that it gives you a sense of who we are and what we stand for as a business. I would also like to take the opportunity to thank everyone who supports our journey for

**A Better Tomorrow.**



# OUR HIGHLIGHTS



## Own-brand Products Certifications

**100% cocoa** certified to responsible sourcing programmes\*

\*UTZ, Rainforest Alliance, Organic or Fairtrade



**80%** of wild caught chilled and frozen fish is sustainably sourced to the **MSC\*** standard

\*Marine Stewardship Council

**100% palm oil** used in our products is **RSPO\*** certified



\*Roundtable on Sustainable Palm Oil

**100%** of bananas certified to sustainability programmes\*

\*Rainforest Alliance, Organic or Fairtrade



Fundraised over **£300,000** for our charity partner **NSPCC, Northern Ireland**



In 2018 we committed to the new **Living Wage** rate in Ireland and Northern Ireland



**JIGSAW** Young people's health in mind

**ONE GOOD ADULT.**

Fundraised over **€500,000** for our charity partner in Ireland year to date



Lidl Ireland is a member of **Origin Green** the sustainable development programme developed by Bord Bia

**LED Lighting** implemented in all stores **6,454,635 kWh** of savings achieved



**Solar Photovoltaic Panels (PV)** added to store specifications



**Outstanding Achievement in CSR Chambers 2018**



**60** Organic own-brand food products in our everyday range

**30** Fairtrade own-brand food products in our everyday range

**SOLD 3,206,763** units of **Fairtrade bananas**



Launched **Feed Your Mind** a fully funded degree programme



The Management Degree Programme

# OUR HIGHLIGHTS



**E-Chargers**  
Announced roll-out of electrical vehicle charging points

Published **Sustainable Sourcing of Fish and Seafood Policy**

Switched to **100% Green Electricity**

**755,462 meals donated in 2018**  
Food Distribution Programme in all stores and distribution centres

**Year 2** of our Supplier Development Programme

**Ladies Gaelic Football**

**1,389** girls were given jerseys and footballs at Lidl Future Stars events

**Over 140 awards** for our own-brand products

**84** Managers trained in **Mental Health** awareness

**Zero waste to landfill achieved**

Published our **Plastic Commitments**

**159** juvenile club teams were given jerseys and equipment

**LGFA**  
PEIL na mBAN

Published our **Health and Nutrition Policy**

**20% less sugar** by 2020

**Reduced salt** by 2020

**Autism Friendly Quiet Evenings** introduced to all stores every Tuesday from 6-8pm

**0 waste**

# LIDL OVERVIEW

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**Resources and Agriculture**



Agricultural Inputs

Cultivation & Harvesting

Animal Keeping



**Supply Chain and Processing**



Production

Processing

Transportation



**Operations and Processes**



Logistics Centre

Transportation

Stores and Services



**Customer and Society**



Purchase

Usage

Disposal

# OVERVIEW ABOUT US

**LIDL IRELAND AND LIDL NORTHERN IRELAND ARE INDIRECT SUBSIDIARIES OF LIDL STIFTUNG & CO. KG., NECKARSULM, GERMANY. THE TRADING COMPANY LIDL IS PART OF THE SCHWARZ GROUP (KAUFLAND, LIDL), EUROPE'S LARGEST FOOD RETAILER.\***

The Lidl retail company is part of the Schwarz Group headquartered in Neckarsulm, Germany. Schwarz Group is currently one of the leading companies in the food retail industry in Germany and Europe. Lidl is represented in 32 countries around the world and currently operates 10,800 stores and more than 160 distribution centres in 29 countries worldwide. Lidl currently has approximately 287,000 employees.\*\*

Since entering the market in Northern Ireland in 1999 and Ireland in 2000, Lidl has grown to 162 stores with three distribution centres employing 4,325 people in Ireland and 38 stores in Northern Ireland with one distribution centre located in County Antrim, employing 881 people.

## Number of Employees



Our business model differentiates us from competitors; it focuses on simplicity and maximum efficiency at every stage of the business, from farm to fork. Efficiency and process orientation determine the daily actions in the stores, distribution centres and head office.

Our philosophy is centred on outstanding operational efficiency and strategic partnering, which generates savings that are passed directly back to our customers in the form of exceptionally low prices without any compromise on quality. This customer proposition, along with the commitment of our people, combined with our undeniable local impact has led to our unrivalled growth. In 2018 Lidl Northern Ireland was the fastest-growing supermarket with Kantar reporting 9.1% year-on-year sales growth and a 5.9% market share. In Ireland, Lidl has the joint 4th largest market share at 11.4%.\*\*\*



\* According to LZ Retailytics \*\* On publication date \*\*\* Kantar yearly average figures as of financial year end 28.02.19

# OVERVIEW

# MISSION STATEMENT

## Our Vision

Our vision is to make life better by providing quality food at market leading value, ensuring customer satisfaction is at the heart of everything we do.

## OUR MISSION STATEMENT

**OUR MISSION IS TO DELIVER OUTSTANDING CUSTOMER SATISFACTION.**

**WE GUARANTEE QUALITY FOOD THROUGH A RIGOROUS PRODUCT DEVELOPMENT AND QUALITY CONTROL PROCESS.**

**WE ENSURE MARKET LEADING VALUE BY CONSTANTLY OPTIMISING OUR EFFICIENT PROCESSES.**

**WE WORK WITH BUSINESS PARTNERS IN SUSTAINABLE RELATIONSHIPS CONTRIBUTING POSITIVELY TO LOCAL COMMUNITIES.**

**WE ACHIEVE LONG-TERM SUCCESS BY INVESTING IN THE RECRUITMENT, TRAINING AND DEVELOPMENT OF EXCEPTIONAL TALENT.**

## Our Values

Everything we do is underpinned by our values:



**2 million**  
Customers every week

Market Share\*  
**11.4% | 5.9%**

IRELAND | NORTHERN IRELAND

\*Kantar yearly average figures as of financial year end 28.02.19

Number of Stores\*

**160 | 38**

IRELAND | NORTHERN IRELAND

\*Number of stores at financial year end. Stores increased to 162 and 38 by publication date.

**4** Distribution Centres

3 IRELAND | 1 NORTHERN IRELAND



# OVERVIEW

## EXPANSION

**WE ARE INVESTING HEAVILY IN UPGRADING A NUMBER OF OUR STORES TO STATE-OF-THE-ART BUILDINGS THAT OFFER OUR GROWING CUSTOMER BASE AN IMPROVED CUSTOMER EXPERIENCE. IN 2018, WE INVESTED OVER €150M IN OUR EXPANSION PROGRAMME.**

This incorporated the opening of ten new builds in Nenagh, Fortunestown, Brunswick Street, Sligo, Limerick, Northwood, Birr, Dunshaughlin and Castleknock as well as Magherafelt in Northern Ireland (five new stores and five relocation of stores). In addition to this, we commenced the construction of a new distribution centre in Newbridge to replace our existing location which no longer meets our growing business needs. This development, the largest of its kind in Ireland, sees an investment of up to €100 million, employing nearly 2,000 people throughout the construction of the new 58,000m<sup>2</sup> facility. 100 new permanent staff will be hired for the new facility and 250 full-time staff will move from the current warehouse.



over  
**€150m**  
invested  
in capital and  
expansion  
programme

**10**  
new build  
stores

**100**  
new jobs  
in our Newbridge  
distribution  
centre

**PV + EV**  
photovoltaic  
panels and  
electric vehicle  
charging  
points

In 2019, we plan to complete the construction of our new distribution centre and introduce five new stores to our portfolio as well as rebuild/relocate four older stores.

There is an inevitable environmental footprint involved in the construction and maintenance of our operations. We endeavour to mitigate these impacts by embedding sustainability in the design, construction and management of our stores and distribution centres – at Lidl, we expand with sustainability in mind. Our new look stores have a fresh architectural design and spacious interior layout. They offer new features such as coffee machines and customer toilets as well as improved welfare facilities for our team members.

All new stores are also powered by green electricity, with energy managed through our ISO 50001 certified energy management system. A significant development for us is the integration of solar photovoltaic (PV) panels and electric vehicle charging points in all our new builds and major refurbishment projects. We currently provide the largest network of electric vehicle charging points in the supermarket sector, enabling customers to charge their electric vehicles for free while they shop.

As part of our building planning process, our property team engage with the local community by holding open evenings to discuss construction plans, the designs of the new buildings and timelines. This process helps us to engage with the local community and allay any concerns they may have.

Highlights



### New Castleknock Store

In December 2018, we opened a brand-new state-of-the-art store in Castleknock, Dublin. As part of the construction plan, we incorporated development works to the surrounding area to ensure the site was fully functional and built with the community in mind. Along with this landmark new store, we have developed several new retail units, eight duplex apartments and a medical centre. We also completed a full traffic junction upgrade with an improved traffic lights system, resurfacing of the road and line markings. Finally, this new store has also created 35 new jobs in the locality.

### Mourne Mountain Rescue

In Northern Ireland, our property team work closely with the local community at all phases of store development. In Newcastle we committed to providing the Mourne Mountain Rescue Team in Newcastle with a site, free of charge, on which to build their new premises, alongside our proposed new store. Providing this voluntary organisation the space it needed to develop a new facility will future-proof the lifesaving service it provides.



# OVERVIEW OUR PEOPLE

**WE HAVE DEVELOPED A POWERFUL PEOPLE POLICY AND HAVE INCORPORATED IT INTO OUR OVERALL BUSINESS STRATEGY. OUR PHILOSOPHY IS THAT A COMMITTED, FULFILLED, HAPPY AND HEALTHY WORKFORCE MUST BE CULTIVATED, NURTURED AND, ABOVE ALL, RECOGNISED.**

Our people are central to our success. They look after our customers, drive our operations, support our communities and champion our proposition. They ensure our customers choose us first. As they support us, we support them. We have invested in strategic policies and measures which ensure our people are properly recognised, rewarded, and cared for. Without the commitment, motivation and collaboration of our employees we would not be where we are today. We invest in our people, because our people are central to our success.



### Living Wage

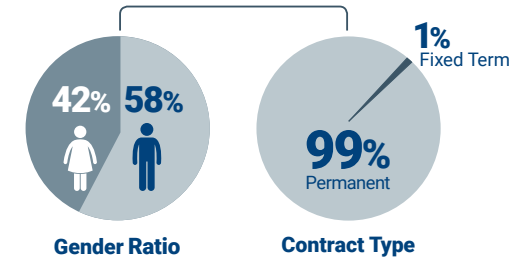
In 2015 Lidl were the first nationwide retailer in Ireland and Northern Ireland to introduce the Living Wage for all entry level store and warehouse employees.

### 30-hour Contracts

Like many retail businesses, a high proportion of our employees are on part-time contracts, approximately 70% in Ireland and Northern Ireland, for a variety of reasons from flexibility to operational requirements. In 2019, all our store and warehouse employees will be offered contracts with a minimum of 30 hours to facilitate employees' changing needs.

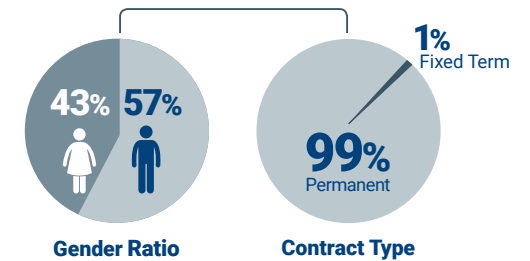
### Total Number of Employees\* (Ireland)

4,325



### Total Number of Employees\* (Northern Ireland)

881



**Permanent** Part of head count, with no predefined end date of employment.  
**Fixed Term** Part of head count, with a predefined end date of employment.  
**Full Time** Employees with a minimum of 39hrs stated in their contract. All full time contracts adhere to the Organisation of Working Time Act, 1997 for Ireland and The Working Time Regulations (Northern Ireland) 2016.  
**Part-Time** Employees with less than 39hr contracts. All full time contracts adhere to the Organisation of Working Time Act, 1997 for Ireland and The Working Time Regulations (Northern Ireland) 2016. Lidl does not and never has utilised any zero-hour contracts. In 2019 all customer assistants will be offered a minimum of 30hr contracts.

\* Total headcount as of financial year end 28.02.19

# SUSTAINABILITY @ LIDL



## Resources and Agriculture



Agricultural Inputs | Cultivation & Harvesting | Animal Keeping



## Supply Chain and Processing



Production | Processing | Transportation



## Operations and Processes



Logistics Centre | Transportation | Stores and Services



## Customer and Society



Purchase | Usage | Disposal

# SUSTAINABILITY MANAGEMENT

## OUR COMPREHENSIVE TARGET-LED SUSTAINABILITY STRATEGY "A BETTER TOMORROW" ILLUSTRATES THAT WE ARE KEENLY AWARE OF OUR SOCIETAL ROLE, RESPONSIBILITY AND POTENTIAL TO MAKE A REAL DIFFERENCE.

We embrace this responsibility, working hard and smart to bring about real change in our communities, where it matters most, through innovation, investment and active leadership.

At Lidl, we believe it is our responsibility to build a successful, sustainable future, not just for our business, but for the communities we serve. This commitment is enshrined in our Corporate Social Responsibility (CSR) strategy, **A Better Tomorrow**, which sets out clear ambitious sustainability targets across the four key pillars: Responsible Sourcing, Protecting the Environment, Team Lidl and Lidl Community Works. This strategy crystallises our commitment to provide a safe and nurturing environment for employees, contribute positively to our communities and be exemplary environmental stewards.



**Responsible Sourcing**



**Protecting the Environment**



**Team Lidl**



**Lidl Community Works**

## Sustainability Management

At Lidl, we believe in clear structure and defining roles and responsibilities to ensure added value and measurable impact. Each Board Director's area of the business has a dedicated representative to manage CSR topics in their area as well as report and develop our commitments with our CSR department annually. Our ambition is long-term sustainability, collectively we work to achieve this ambition with our CSR strategy, targets, Key Performance Indicators (KPIs) and goals.

Our strategy focuses on those areas that are the most material to our business and our stakeholders and where we can have the greatest impact. Our CSR and Leadership teams defined numerous sustainable development targets spanning areas of waste, emissions, energy, water, responsible sourcing of products and social sustainability. We have clearly defined KPIs for these topics, many of which we will discuss throughout this report.

We also work closely and are guided by the strategic direction of our international headquarters and benefit from many initiatives that affect all countries in the Lidl group, particularly in relation to responsible sourcing and our plastic strategy.

In the context of our business decisions, we want to avoid or substantially reduce all negative impacts on the environment and on human well-being. Through our collaborative CSR management structure, we can mitigate these risks.

Locally we have CSR representatives in all our distribution centres and Charity Heroes appointed in all stores nationwide. These individuals act as our local ambassadors for CSR and community impact. Our CSR department work closely with these ambassadors, collaborating on projects, ensuring consistent communications and most importantly in gathering local feedback and insights for all initiatives.



# SUSTAINABILITY OUR GLOBAL CONTRIBUTION



## Responsible Sourcing



## Protecting The Environment



## Team Lidl



## Lidl Community Works



OUR STRATEGIC PILLARS ARE ALIGNED WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS WHICH PROVIDE THE GLOBAL COMMUNITY WITH A COMMON SET OF TARGETS TO TACKLE MAJOR WORLD ISSUES SUCH AS POVERTY, INEQUALITY, INJUSTICE AND CLIMATE CHANGE BY 2030. WE ARE COMMITTED TO COMPLETE TRANSPARENCY REGARDING OUR PERFORMANCE AGAINST SET TARGETS.



Highlight



## Origin Green

Origin Green is Ireland's food and drink sustainability programme, developed by Bord Bia, the Irish Food Board. As a member of the programme, we are committed to implementing a comprehensive sustainable development plan that is independently verified and audited annually.

In 2018, we developed our plan further by introducing additional targets, bringing our total targets to 29 across the pillars of our strategy. The programme offers us the opportunity to align, share and collaborate with fellow members of the industry towards our shared goals as well as providing third-party auditing and verification.



# SUSTAINABILITY

## OUR STAKEHOLDERS<sup>2,3</sup>

**ENGAGING WITH OUR KEY STAKEHOLDERS IS A FUNDAMENTAL STEP TO TRULY UNDERSTANDING THE VALUES AND ISSUES THEY CARE ABOUT MOST. IN 2018 WE SPOKE WITH AND LISTENED TO MANY PEOPLE, INCLUDING CUSTOMERS, EMPLOYEES, SUPPLIERS, COMMUNITIES AND NGOS<sup>1</sup> TO HELP DEFINE OUR STRATEGY AND FUTURE COMMITMENTS. THESE DIVERSE PERSPECTIVES WILL CONTINUE TO HELP SHAPE OUR ACTIONS AND THE IMPLEMENTATION OF OUR INITIATIVES AS WE MOVE FORWARD ON OUR JOURNEY.**

**Customers:** Our customers are the primary focus of our business. We recognise that effective communication with our customers can help to foster good relationships, improve loyalty and trust in our brand. We receive annual customer research regarding customers' perceptions of our performance in relation to CSR and also conducted in-depth research in numerous CSR topics to understand what is most important to them. We offer opportunities for feedback and requests through numerous channels particularly through our dedicated customer service team based in our head office in Tallaght, Co. Dublin.

**Suppliers:** Our philosophy is if we find a supplier who fits our business model, values and goals, we work together in collaboration. Many of our suppliers have been working with us since we opened our doors in 1999 and our relationships have deepened and become more strategic over the years. Our buying, quality, packaging and responsible sourcing teams work closely with suppliers on a daily basis developing products and ensuring customers' needs are met.

**Employees:** Our team drives our business. With four distribution centres and 200 stores across Ireland



and Northern Ireland, we have multiple platforms for two-way communication and feedback. Our dedicated intranet, employee app and business systems facilitate communication with our employees. We use regular employee surveys to gain feedback and insights from all employees.

**Partners:** We collaborate with a broad range of partners from our charity partners, to our sponsorships, Business in the Community (an independent company specialising in corporate responsibility) as well as our various other networking and industry partners. We are members of the Retail Food Waste Forum as well as the Government led Action Group on CSR. Through clear and regular communication forums and meetings, we harness these partnerships to their full potential. Partner feedback and collaboration is necessary for sustainable development and growth.

**Communities:** Through our stores, we are present in hundreds of communities across the island of Ireland. Offering high quality food at low prices as well as extensive community support. We speak openly and transparently about our plans for development and listen closely to the views of those representing each locality, such as councils and community groups.

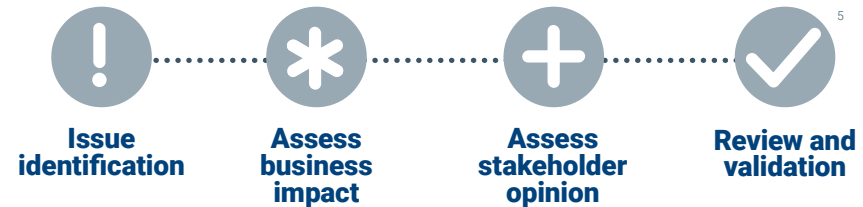
**Lidl Group:** All local teams from each country are also represented in our international headquarters. There is a dedicated point of contact on each team who shares updates, reports and points of interest monthly.

<sup>1</sup> GRI 102-40, <sup>2</sup> GRI 102-42, <sup>3</sup> GRI 102-43

# SUSTAINABILITY MATERIALITY PROCESS

Naturally our stakeholders influence our sustainability strategy. We completed an in-depth materiality review to understand what social and environmental concerns were most important to our stakeholders and where we can have a particular impact.<sup>3</sup> Our materiality results consisted of feedback from a wide range of stakeholders including customers, partners, suppliers, employees, charities, media and third-party area experts. The initial topic areas were agreed on and reviewed by the CSR teams in Ireland, internationally and verified by third-party experts. We worked with Business in the Community, an independent company specialising in corporate responsibility, to support this process and complete qualitative interviews for data verification.

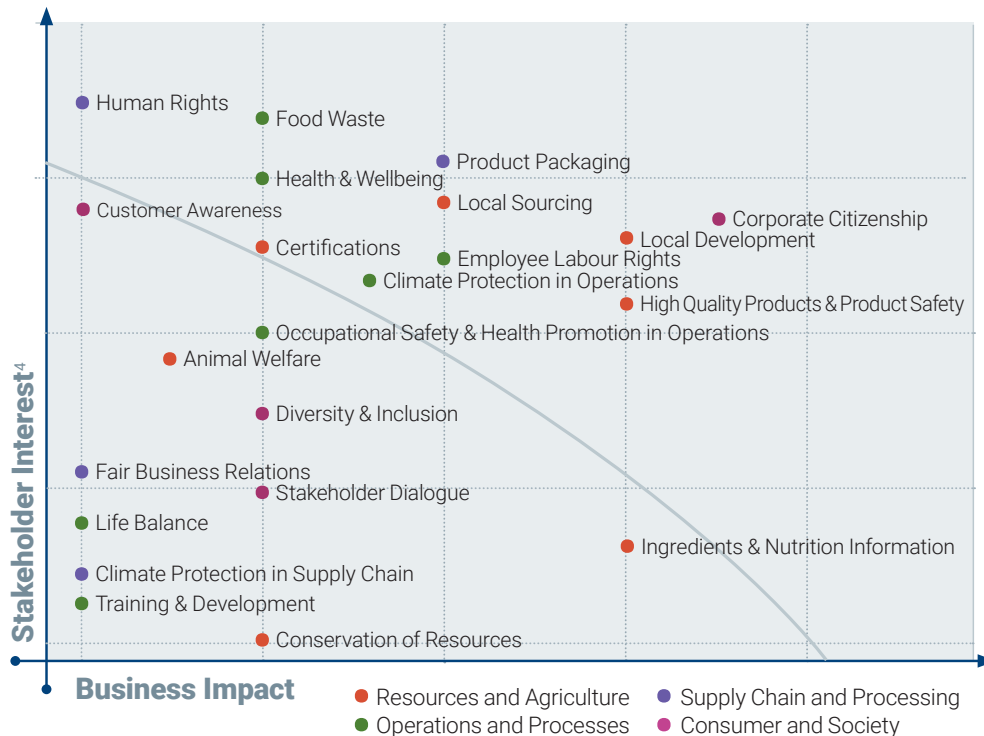
After an extensive internal review of materiality topics, an external assessment and then a further internal check with the support of our international counterparts, we identified and agreed the topics material to Lidl Ireland and Lidl Northern Ireland in this report. The materiality analysis consisted of four phases of work:



The issues are placed on a matrix that displays their position relative to the degree of stakeholder interest and potential business impact. Together, the results represent the material issues.

As depicted in the matrix, corporate citizenship, local development and high-quality products were identified as most material and will be discussed in accordance with GRI. Our stakeholders also rated human rights in the supply chain, food waste and packaging as particularly important to them. Qualitative feedback clarified and confirmed our stakeholders wanted to learn more about our processes for protecting human rights and commitments to reducing food waste and packaging. These areas have also been discussed in detail to support this feedback. The responses also highlighted that stakeholders were particularly interested in ethical brands and local fresh produce. Whilst all selected issues are important and will be discussed,<sup>6</sup> the areas identified as most material will guide the focus of this report as well as helping to prioritise and shape our sustainability strategy in the future.

All of the above topics are discussed in this report with particular emphasis and detail provided to the topics identified as most material. Material topics are discussed in relation to the Lidl Responsibility Model and A Better Tomorrow goals.



▶ If you have any questions regarding this report or the materiality process, please contact us at [csr@lidl.ie](mailto:csr@lidl.ie).

<sup>3</sup> GRI 102-43, <sup>4</sup> GRI 102-44, <sup>5</sup> GRI 102-46, <sup>6</sup> GRI 102-47

# OUR PRODUCTS

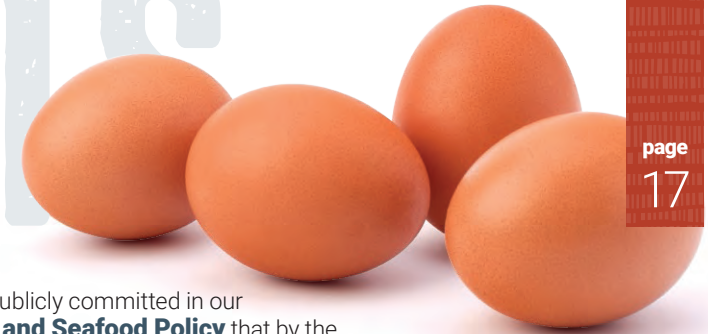
## RESPONSIBLE SOURCING, CERTIFICATION AND QUALITY

We are committed to sustainable business principles and practices, including responsible sourcing and are fully committed to ensuring that our buying power drives positive change for producers, communities and the environment on the island of Ireland and further afield.





# RESOURCES AND AGRICULTURE: ANIMAL WELFARE



Our Animal Welfare standards are defined and enforced by the Irish Department of Agriculture Food and the Marine (DAFM) in the Animal Health and Welfare Act 2013; and the standards defined and enforced by the Department of Agriculture, Environment and Rural Affairs (DAERA) for Northern Ireland in the Welfare of Animals Act (NI) 2011.

Both institutions define the minimum standards for keeping farm animals and contain specific requirements such as inspections, record keeping, freedom of movement, farm buildings, equipment and the feeding and watering needs of the animals. Both standards are based on the Five Freedoms:

- FREEDOM FROM HUNGER AND THIRST**
- FREEDOM FROM DISCOMFORT**
- FREEDOM FROM PAIN, INJURY AND DISEASE**
- FREEDOM TO EXPRESS NORMAL PATTERNS OF BEHAVIOUR**
- FREEDOM FROM FEAR AND DISTRESS**

We are currently working on our first Animal Welfare policy that we expect to publish in 2019, which will outline our expectations on key welfare issues within our fresh and frozen meat and poultry supply chains.

- All our suppliers' sites are compliant with the **Animal Welfare Acts in Ireland and Northern Ireland** and are audited annually by the respective government departments. In addition, our farms are also certified and independently audited on a regular basis to ensure that the animal welfare standards are adhered to. All our fresh Irish beef, lamb, pork, chicken and duck is sourced from farms that are Bord Bia Quality Assured. All our fresh beef and lamb in Northern Ireland is sourced from farms approved by the Farm Quality Assurance Scheme or Red Tractor Assurance Scheme, and all our Northern Ireland fresh pork and chicken is sourced from Red Tractor Assured farms.
- In relation to eggs we have publicly committed in our **Sustainable Sourcing of Eggs Policy** that by 2025, all our whole eggs and egg as an ingredient in our own-brand products will come from cage-free hens (i.e. organic, free range or cage free barns).

- Regarding farmed fish, we have publicly committed in our **Sustainable Sourcing of Fish and Seafood Policy** that by the end of 2019, all our permanently listed own-brand farmed fish (i.e. salmon, trout, prawns etc.) will be certified to Aquaculture Stewardship Council (ASC) or GLOBALG.A.P. Aquaculture Standard, which has specific requirements on animal health and welfare.
- For our non-food lines, **we don't conduct any animal testing** on any of our own-brand products, and we ensure that our suppliers don't conduct animal testing in the development of their cosmetic or household products. In 2014, we joined the international 'Fur Free Retailer' programme, ensuring that no real fur is used in any of our textiles, accessories or shoes.



# OUR PRODUCTS LOCAL SOURCING



**WORKING WITH LOCAL SUPPLIERS AND DEVELOPING LONG-TERM, MUTUALLY BENEFICIAL RELATIONSHIPS IS A CORE PART OF OUR BUSINESS MODEL. OUR RESEARCH SHOWS THAT BUYING FROM LOCAL SUPPLIERS IS ALSO IMPORTANT TO OUR CUSTOMERS. SOURCING LOCALLY ENABLES US TO BUILD CLOSE PARTNERSHIPS WITH OUR SUPPLIERS, HELPING TO SECURE OUR SUPPLY CHAINS AND SOURCE THE FRESHEST QUALITY PRODUCTS FOR OUR CUSTOMERS.**

We work closely with a diverse range of local suppliers - 225 in Ireland and 50 in Northern Ireland. Many of these suppliers export to Lidl supermarkets in Europe and the United States, providing the opportunity for suppliers to grow their exports into other markets.

We also employ a diverse range of local contractors from general maintenance contractors to specialist refrigeration engineers. They install our fire alarms, service our heating systems, repair our automatic entrance doors and keep our ovens baking. We rely on these suppliers to ensure we maintain our stores and warehouses to the highest standards each day. We also employ hundreds of people through construction companies to build our stores and distribution centres.



## Local Beef, Lamb, Pork, Chicken and Duck

As part of our ongoing programme to source locally, 100% of our fresh beef, lamb, pork, chicken and duck is sourced on the island of Ireland and is Bord Bia Quality Assured, Northern Ireland Farm Quality Assured or Red Tractor Assured. Beef and lamb that are Bord Bia Quality Assured are also carbon footprinted under the Sustainable Beef and Lamb Assurance Scheme (SBLAS).



## Local Fruit and Vegetables

Where possible we source locally but our customers want to be provided with a wide variety of fresh fruit and vegetables all year round, that often don't grow in Ireland. As such we need to source further afield to respond to customer demand. When sourced in Ireland, our fruit and vegetables are certified to the Bord Bia Sustainable Horticulture Assurance Scheme (SHAS). Alternatively our imported products are certified by the GLOBALG.A.P. Fruit and Vegetable standards.

**37%**  
of fruit and vegetables are sourced locally\*

\* Figures for Ireland at financial year end.

Of our permanently listed products  
**90%** | **10%**  
own-brand | branded

Local suppliers  
**225** | **50**  
IRELAND | NORTHERN IRELAND

Over **€1 billion** worth of produce sourced in 2018

# OUR PRODUCTS

## LOCAL DEVELOPMENT



### Local Eggs and Dairy Products

All our fresh milk, fresh cream and eggs are sourced from farms on the island of Ireland. All our eggs are certified to standards accredited to ISO 17065: 75% are sourced from Ireland and approved by Bord Bia's Sustainable Egg Assurance Scheme (SEAS) and the remaining 25% are sourced from Northern Ireland and approved by the British Lion Scheme. We are committed to working with our current supplier base on the sustainable production of eggs by transitioning towards cage-free barns, free-range and organic production methods.



All our fresh milk produced in Ireland comes from farms approved by the Bord Bia Sustainable Dairy Assurance Scheme (SDAS) and all our fresh milk produced in Northern Ireland comes from farms that are Red Tractor approved.



### Plants and Flowers

Ireland's climate provides ideal growing conditions for a large range of garden and landscape plants, however, the plant and flower industry is global. We work with internationally recognised certifications to ensure that our products are produced in accordance with best practice ethically and environmentally.

**IN 2018, WE INCREASED OUR INVESTMENT IN LOCAL SUPPLIERS THROUGH KICK START, OUR SUPPLIER DEVELOPMENT PROGRAMME. KICK START WAS DEVELOPED BY LIDL IN CONJUNCTION WITH BORD BIA TO HELP SMALL AND MEDIUM IRISH FOOD AND DRINK BUSINESSES TO GROW THEIR BRAND AND BUILD THEIR SUPPLY NETWORK.**



In 2018, more than 60 suppliers and 86 local products were chosen from across the country to partake in the programme. Their products were sold in a limited edition 'Best of Ireland' food promotion across Ireland and Northern Ireland. As part of the programme all suppliers attend a series of free, comprehensive seminars which guides them through the Kick Start programme and teaches them skills to help grow their business ahead of their products going on sale at Lidl. The seminars were carried out by a panel of industry experts in Lidl and included themes around quality control, packaging, marketing, public relations and brand building.

### ChanChan

ChanChan, an Irish company led by Michelin trained TV Chef Kwanghi Chan, is a true fusion of East meets West. Kwanghi, born in Hong Kong, and raised in Donegal, spent every day in the aroma of his Uncle Sam's Buncrana-based Chinese restaurant since the age of eight. For over 30 years he has worked as chef, observing the evolution of trends in Asian cuisine. Combining his roots from Ireland and Hong Kong, Kwanghi created a range of ChanChan sauces and spices with a local twist using Irish and Asian ingredients. ChanChan is now a listed supplier of Lidl.



### Refuge Hot Chocolate

Belfast-based supplier, Tara Mullan of Refuge Hot Chocolate joined the programme this year. Refuge Hot Chocolate was established as a social enterprise to help support survivors of human trafficking. Speaking about the importance of the Kick Start opportunity Tara said: "Having our products on Lidl shelves will bring a whole new level of exposure to Refuge, taking us from a regional to a national level. Plus, Refuge is so much more than our product. We aim to use ethically sourced eco products while raising awareness of important issues through our support of the anti-trafficking charity, Flourish."



# OWN BRAND PRODUCTS CERTIFICATION AND POLICIES

**GLOBAL SUPPLY CHAINS ARE COMPLEX AND AS A LARGE GROCERY RETAILER WE HAVE MANY PRODUCT LINES. A KEY WAY IN WHICH WE STRIVE FOR GREATER SUSTAINABILITY IN OUR SUPPLY CHAINS IS BY DEVELOPING OUR RESPONSIBLE SOURCING POLICIES FOR OUR OWN-BRAND PRODUCTS, RELYING ON INTERNATIONALLY RECOGNISED STANDARDS WITH THIRD-PARTY CERTIFICATIONS AND COLLABORATING CLOSELY WITH OUR SUPPLIERS.**



## Sustainable Fish and Seafood

Safeguarding fish stocks for the future is an issue we are passionate about and we are proud to be leading the way in the retail market in Ireland and Northern Ireland. According to the United Nations Food and Agriculture Organisation, 33.1% of global fisheries have been fished beyond sustainable limits due to overfishing and illegal fishing.

To maintain long-term fish stocks, we have developed comprehensive buying policies to support the principles of sustainable fishing and fishing methods. We're committed to making sure that, no matter how our fish is sourced, whether farmed or caught wild, it comes from the most sustainable and well-managed fisheries and farms.

This year, we committed to sourcing 100% of our own-brand permanently listed fish products from independently certified fisheries (MSC or recognised Irish Fishery Improvement Projects (FIPs)) and independently certified aquaculture farms (ASC or GLOBALG.A.P. Aquaculture Standard) by the end of 2019. We also committed to maintaining the responsible sourcing standards for our-brand tuna, and tuna used as an ingredient in our products, and keep offering tuna that has been sourced using either 'pole and line' fishing methods; Fish Aggregation Device (FAD)-free fishing practices or is MSC certified.

Our principles of responsible fish and seafood sourcing will ensure that the fish sold within our product ranges are sourced from the healthiest stocks possible using the least destructive fishing methods possible, with high regard for both environmental and social standards.

## The Marine Stewardship Council

(MSC) is an independent, non-profit organisation established to address the problem of unsustainable fishing and safeguard seafood supplies for the future. The MSC Fisheries Standard is a science-based set of requirements for sustainable fishing.

## The Aquaculture Stewardship Council

(ASC) certification provides a standard for responsible aquaculture addressing the key environmental and social impacts of farming, including animal health management and the interaction of the farm with the local community.

## The GLOBALG.A.P. Aquaculture Standard

sets strict criteria for legal compliance, food safety, workers' occupational health, safety and welfare, animal welfare and environmental and ecological care across the entire aquaculture production chain from brood stock, seedlings and feed suppliers to farming, harvesting and processing.



# QUICK PRODUCTS CERTIFICATION AND POLICIES

## 2018 Achievements



**80% of our wild caught** chilled and frozen fish is certified to the MSC standard.



**100% of Lidl's canned tuna** is already sourced responsibly using either 'pole and line' fishing method, Fish Aggregation Device (FAD)-free fishing practices or is MSC certified.



Joined the **Global Ghost Gear Initiative** (GGGI), a global cross-sectoral alliance committed to driving solutions to the problem of lost, abandoned and otherwise discarded fishing gear (also known as "ghost gear"), which account for around 10% of plastic pollution in the sea.



# OUR PRODUCTS CERTIFICATION AND POLICIES

## Cocoa

**Goal: 100% certified** to Fairtrade, Rainforest Alliance, UTZ and/or Organic by 2017

**Progress: Achieved**



## Palm oil

**Goal: 100% products** certified to RSPO Palm Oil by 2018\*

**Progress: Achieved**

\* minimum requirement mass balance



## Coffee

**Goal: 100% certified** to Fairtrade, Rainforest Alliance, UTZ and/or Organic by 2020

**Progress: On track**  
60% certified




## Tea

**Goal: 100% certified** to Fairtrade, Rainforest Alliance, UTZ and/or Organic by 2018\*

**Progress: Behind track**  
95% certified

\* 100% completed by end 2019

## Timber, wood and paper based products

**Goal: 100%** to be from either **recycled wood fibre sources, FSC or PEFC certified sources** by 2025

**Progress: On track**



## Global Commodities

Thousands of people are involved in producing the huge number of raw materials and ingredients used in our products. We believe that focusing on the commodities, which are bought internationally by Lidl in high volumes, allows us to have the greatest social and environmental impact. As part of our Raw Material Programme we have set ambitious targets for our own-brand products to reach by 2025 – this is part of a Lidl Group programme across all countries which enables us to amplify our influence and impact on a global level.



# OUR PRODUCTS CERTIFICATION AND POLICIES

## Fairtrade

Through Fairtrade, farming groups in developing countries gain the opportunity to strengthen their villages and families living and working conditions. Fairtrade pays a minimum price which is set to cover the cost of sustainable production, and to protect producers from the price fluctuations of the market. It also pays a Fairtrade premium which allows workers and farmers to receive an additional sum of money which goes to a communal fund to be used to improve their social, economic and environmental conditions.

We are proud to have been the first retailer in Ireland to offer a range of products sold under the Fairtrade Cocoa Programme standard. This enables small scale cocoa farmers to benefit by selling more of their cocoa on Fairtrade terms. Farmers earn a fair price for their cocoa and receive a Fairtrade Premium to support democratically agreed local community programmes.



## Fresh beef and lamb

Goal: 100% Farms in Ireland certified and carbon foot-printed via Bord Bia Quality Assurance Scheme by 2018

Progress: 100%

## Fresh pork, chicken and duck

Goal: 100% Farms in Ireland certified to Bord Bia Quality Assurance Scheme by 2018

Progress: 100%



# OUR PRODUCTS CERTIFICATION AND POLICIES



## Plants and flowers

**Goal: 100% plants and flowers certified** to environmental and social standards by 2020

**Progress: On track**



## Organic

**Goal: Year on year development of range**  
**Progress: On track**

In 2018 ca. **220 organic** products were sold in our stores

- Own-brand everyday range: **60 products**
- Branded everyday range: **10 products**
- Own-brand seasonal products: **90 products**
- Own-brand textiles: **60 products**



## Local produce

**Goal (Ireland): 50% of Irish food suppliers** in Bord Bia's Origin Green Sustainable Development Programme by 2020

**Progress: 42% of our suppliers** are members of Origin Green



## Fruit and vegetables

**Goal: 100% certified** to Bord Bia Quality Assurance or GLOBALG.A.P. by 2020

**Progress: 100%**

## Eggs

**Goal: 100%** of our whole eggs and egg ingredients from **cage-free hens** by 2025

**Progress: On track**  
50% of whole eggs sales are cage-free\*



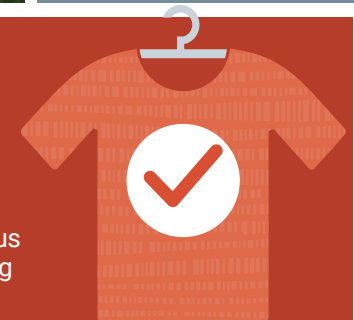
## Textiles

**Goal 1: Meeting Greenpeace Detox** campaign goals by eliminating all hazardous chemicals from clothing and footwear by 2020

**Progress: On track**

**Goal 2: 100% of own-brand textiles made with viscose** to be Lenzing EcoVero and EU Ecolabel certified by 2020

**Progress: On track**



\* On publication date



## Bananas

**Goal: 100% certified** to Fairtrade, Rainforest Alliance and/or Organic by 2017

**Progress: 100%**

## Fish

**Goal: 100% wild caught fish** to be MSC certified or from Irish FIPs and **100% farmed fish** certified to ASC or GLOBALG.A.P by 2019

**Progress: On track**



# QUALITY AND SAFETY



## High Quality Products and Product Safety

Our products are rigorously quality tested at all stages of production to ensure that we provide our customers with the highest quality standards, in keeping with our company mission. We make it possible for our customers to eat healthily on a budget, secure in the knowledge that high quality and safety standards are maintained.

We recognise the risks inherent in the food supply chain particularly in relation to microbiological, chemical and biological hazards as well as contamination of foodstuffs. We guarantee quality food through a rigorous product development and quality control process.

Please see below two product examples that include an overview of all the different areas included in testing.



Packaging changed from unrecyclable black plastic to transparent

- Tested for:**
  - Staphylococcus Aureus
  - Pseudomonas
  - Lactic Acid Bacteria
  - Listeria
  - Salmonella
  - Enterobacteriaceae
  - E. Coli
  - DNA - Bovine
- Label Assessment:**
  - Carbohydrates
  - Sodium
  - Protein
  - Sugars
  - Fats
  - KJ/kcal



- Tested for:**
  - E. Coli
  - Pesticides
  - Genetically modified organisms
  - Diastase
- Label Assessment:**
  - USDA Colour Designation
  - Hydroxymethylfurfural
  - Pollen analysis
  - Carbohydrates
  - Sodium
  - Protein
  - Sugars
  - Fats
  - KJ/kcal

**IFS (International Featured Standards) Food Standard** is an audit standard for food producers that focuses on food safety, product quality and process quality. It is relevant for food producers and food packaging companies.

**BRC (British Retail Consortium)** is a set of global standards that protect consumers and provide a guarantee that the certified products are safe, high-quality and comply with legal requirements.

**FSSC 22000 (Food Safety System Certification)** is a standard of efficient company management from a food safety perspective. It is based on existing ISO standards, proving that the certified company has an extensive system of quality assurance that fulfils its consumers' requirements.

# OUR PRODUCTS

## QUALITY AND SAFETY

**WE ARE PARTICULARLY CAREFUL ABOUT SELECTING OUR OWN-BRAND SUPPLIERS, ALL OF WHOM ARE CERTIFIED ACCORDING TO THE FOLLOWING GLOBALLY RECOGNISED INDEPENDENT FOOD SAFETY STANDARDS: INTERNATIONAL FEATURED STANDARD (IFS), BRITISH RETAIL CONSORTIUM (BRC) AND/OR FOOD SAFETY SYSTEM CERTIFICATION (FSSC). ALL OUR SUPPLIER AUDITS ARE UNANNOUNCED AND ARE CONDUCTED BY INDEPENDENT ACCREDITED AUDITORS ON A REGULAR BASIS.**

### Certified quality

All our own-brand products undergo extensive quality testing by our quality assurance department. In addition to this internal quality control, we also work closely with experts in independent, fully accredited testing laboratories. In 2018 our quality team based in Ireland commissioned 2,858 tests of our own-brand products. Our International quality teams adhere to the same stringent standard of testing when we purchase products from them.

### Non-food

All our own-brand non-food items (categories such as cosmetics, hygiene and cleaning products) are also quality tested to the highest Irish and European standards. To ensure these standards are maintained across all our categories, we work with reputable third-party institutes: clothing is externally chemically tested by Oekotex, quality testing by Hoehenstein Institute and all other non-food categories such as electrical items are mainly tested by TÜV, with a combination of other specialised testers. Lidl is committed to eliminating the emission of harmful chemicals in the production of both clothing and footwear by 2020 in line with the Greenpeace Detox Commitment.

### Limits for Lidl own-branded products

The European Union (EU) has established statutory limits for many undesirable substances. These limits are set based on a number of factors, including the effect on humans and the frequency of consumption. A further safety margin is then factored in so that consumers will not be exposed to any health risk if the limits are complied with.

\* We define a voluntary code as a code of practice that is not legally mandated and issued by a governmental body.

Our aim is to comply with even stricter requirements than the law. One example of this is Lidl's policy concerning plant protection product residues (also known as pesticides), which indicates that our fruit and vegetables may contain no more than one third of the maximum level permitted by law. Our suppliers must meet this requirement and we are diligent in ensuring their compliance.


### Compliance

In 2018 we commissioned over 2,858 tests and conducted 81 unannounced audits. From our investigations and tests in 2018 we found the most prevalent issues related to internal chemical or microbiological limits. Our quality team based in Ireland is responsible for testing over 950 own-brand listed products and over 200 own-brand food specials. In 2018 we had 0 incidents of non-compliance with regulations and/or voluntary codes\* resulting in a fine, penalty or warning. This was due to our rigorous internal processes, compliance with relevant standards and overall commitment to our product quality and safety.

### Pesticides

Currently we adhere to the following internal limits which are far stricter than the European Union Regulations. Lidl's aim is to provide foods free of residue as far as feasibly possible:

- Residue levels of any individual active substance may not exceed one third of the statutory maximum level
- Residue levels of all active substances may not exceed 80% of the statutory maximum level in total
- Residues of no more than five identifiable active substances are permitted

**2,858**   
tests commissioned  
in 2018

 **81**  
unannounced  
audits

**0**  
incidents of  
non-compliance<sup>△</sup>

**THE HEALTH OF OUR CUSTOMERS IS A TOP PRIORITY, WHICH IS WHY OUR SAFETY ASSURANCE TEAM TAKES GREAT CARE TO ENSURE THAT THE PRODUCTS WE OFFER COMPLY WITH THE STRICTEST STANDARDS.**

**Aoife Noonan,**  
Head of Quality Assurance

<sup>△</sup>Audited by EY

# OUR PRODUCTS A HEALTHIER DIET

**IN FEBRUARY 2019 WE PUBLISHED A HEALTH AND NUTRITION POLICY OUTLINING OUR STRATEGY FOR REDUCING THE SUGAR AND SALT CONTENT IN OUR OWN-BRAND PRODUCTS IN RESPONSE TO 'HEALTHY IRELAND' – AN IRISH GOVERNMENT LED INITIATIVE.**

In particular The Obesity Action Plan and a response to customer demand for healthier food choices drove our policy decisions. The policy also outlines our stringent approach to ensuring high quality and safety of our products from farm to fork including pesticide residue levels and the use of additives and preservatives.

The reduction of sugar focuses primarily on foods that are popular with children. Therefore, the primary focus is on food categories such as breakfast cereals, spreads, sauces and sweet confectionery. The reduction of salt first focuses on food categories that are consumed on a regular basis and generally make up a large share of the daily salt intake including ready meals, soups, pizzas, crisps, cakes and meat products.

## Salt and Sugar Commitments



**Sugar:** Reducing added sugar\* by 20% by 2020, focusing primarily on foods that are popular with and consumed by children.

**Salt:** Reducing the salt content of products in line with the UK's Food Standards Agency (FSA) 2017 salt targets by 2020.

## Accommodating for Special Diets

We are also enhancing our product range and adapting it to address alternative diets such as vegan options and catering for intolerances such as lactose or gluten.

Our dairy range now includes products with a lower lactose content. We also added a number of gluten-free and vegan products to our everyday range. Our special weekly offers that focus on healthy eating and special diets are also met with a very positive response every time we run them.



**85%  
less sugar**

**Highlight**

**Breakfast cereals** are generally accepted as a healthy breakfast option to start the day off right but many breakfast cereals contain high levels of sugar and from a nutritional point of view are more like eating candy than a balanced breakfast. Lidl has already gradually reduced the sugar content of Crownfield Cornflakes by 85% from 8.5g/100g to 1.3g/100g.



## Did you know?

Lidl Ireland sells more fruit than any other retailer in Ireland! We make healthy fruit accessible at market leading prices.\*\*

\* Added sugar is calculated by sales weighted average.  
\*\* Kantar volume market share throughout the financial year of 2018.

# OWN BRAND PRODUCTS

## A HEALTHIER DIET



Highlight

**FOOD HEROES WAS CREATED TO ENCOURAGE CHILDREN TO EAT HEALTHILY AND HELP PARENTS MAKE FRUIT AND VEGETABLES MORE FUN FOR CHILDREN. THE CAMPAIGN HAD A NUMBER OF PHASES:**

- THE POPULAR GOODNESS GANG FRUIT AND VEGETABLE TEDDIES FOR CUSTOMERS TO COLLECT
- GROW YOUR OWN, FREE SEED POTS TO ENCOURAGE KIDS AND FAMILIES TO GARDEN
- BACK TO SCHOOL, ENCOURAGING KIDS TO BRING A HEALTHY LUNCH BOX TO SCHOOL

**50%** of customers participated in the campaign

**63%** of participants had started to buy fruit and vegetables in Lidl stores

**71%** agreed that Lidl promotes healthy eating for families\*



**140 Awards**

for own-brand products in 2018



**16 Awards**



**25 Awards**



**61 Awards**

**IN 2018 WE RECEIVED 16 PRIZES AT THE PRESTIGIOUS BLAS NA HÉIREANN, 25 PRODUCTS WERE AWARDED AT THE RENOWNED UK GREAT TASTE AWARDS AND WE TOOK HOME A RECORD BREAKING 61 PRIZES AT THE IRISH QUALITY FOOD AND DRINK AWARDS.**

**Blas na hÉireann** is the biggest competition for quality Irish produce on the island of Ireland celebrating and rewarding the very best tasting local Irish food and drink products, and the passionate, driven producers who make it.

**Great Taste** is the world's largest and most trusted food and drink awards and has been described as the 'Oscars' of the food world. Their panel of over 500 experts come together each year to define quality and excellence within the industry.

**The Irish Quality Food and Drink Awards** recognise and celebrate the best food and drink products available in Ireland. They are renowned throughout the industry for their rigorous and stringent judging process with over 200 judges applying their expert knowledge and experience to highlight only the very best food and drink in Ireland. These awards recognise the quality of our Irish produce, as well as the success of our growing product range.

\*TCC G Research

# SUPPLY CHAIN AND PROCESSING



# SUPPLY CHAIN

## SOCIAL STANDARDS

**HUMAN RIGHTS ARE THE BASIC RIGHTS AND FREEDOMS THAT BELONG TO EVERY PERSON. WHEN DISCUSSING HUMAN RIGHTS IN THE SUPPLY CHAIN, WE ARE REFERRING TO THE RIGHTS OF EVERY WORKER EMPLOYED BY OUR SUPPLIERS.**

Globally in the past five years, around 90 million people have experienced some form of modern slavery for periods of time ranging from a few days to five years. Forced labour and human trafficking for labour exploitation and severe forms of exploitation involving deception and coercion of workers by unscrupulous employers, is considered modern-day slavery. Last year, Ireland was downgraded by the US State Department’s Trafficking in Persons (TIP) report to Tier 2 ranking, on a par with Indonesia and India, for the 2018 discovery of forced labour in the Irish fishing industry.

### Our Approach

At Lidl, we are firmly opposed to forced labour and strive to eradicate forced labour as a priority for our socially responsible business. We also recognise that all supply chains are not the same. We source a wide range of food and non-food products from over 60 countries and hundreds of suppliers. Our products are negotiated by buying teams based in Ireland, our international headquarters in Germany and across our network of Lidl companies based in Europe. Lidl Ireland and Northern Ireland are responsible for the social compliance of all nationally negotiated suppliers, while our international headquarters and other network of Lidl offices manage the social responsibility of the products that we import from them. The responsibility for oversight of ethical and sustainability policies, including Modern Slavery, sits with our Managing Director.

### Code of Conduct

In order to prevent and avoid forced or compulsory labour in our business, we require all our suppliers to comply with our Supplier Code of Conduct. Our Code of Conduct was developed in 2007 in line with the International Labour Organisation (ILO) core conventions. It defines the social expectations of all global direct and indirect suppliers and forms an integral part of our commercial contracts.

The Code specifically prohibits human rights violations in the form of both child labour and forced labour and further addresses issues including working conditions, discrimination and workplace health and safety.

Our Code of Conduct is part of our contracts, to ensure that these core ethical standards are met throughout our supply chain. Our Code of Conduct is publicly available on our website.

### Highlight



Since 2008, we have worked closely with the German Corporation for International Cooperation (GIZ) to deliver bespoke training programmes aimed at improving labour standards for production facilities in our non-food supply chain. GIZ currently employs more than 20 people in Bangladesh dedicated to supporting suppliers, improving working conditions and social compliance, including preventing forced labour. In collaboration with an expert partner, we are also developing a set of simple management tools for our non-food suppliers to use in order to help address known inherent country risks.



# SUPPLY CHAIN SOCIAL STANDARDS



## Food supply chains

As part of our due diligence process, we require all our 'tier one' nationally negotiated suppliers to be registered in the Supplier Ethical Data Exchange (Sedex) platform and to be linked to us. 'Tier one' refers to the final packaging and production sites of our suppliers. We also require them to complete the Sedex Self-Assessment Questionnaire (SAQ) and to update it every six months. The SAQ allows us to collect information such as the number, gender and nationality of their employees, the percentage of seasonal workers, the country of provenance of the raw materials purchased, whether a labour provider agency is used, the names of the labour providers and what systems are in place to monitor labour providers.



Sedex is an online system widely used across the industry to gather information on labour standards, health and safety, environment and business ethics, enabling us to identify sectoral trends and priority areas within our supply chain.

The Risk Assessment Tool of the Sedex Platform allows us to identify the supplier's sites with potential social risks. The tool gives a risk rating to all our suppliers' sites based on the data captured with the SAQ and the 'inherent risk' data calculated by Verisk Maplecroft, a leading global risk analytics company. The 'inherent risk' is based on the country, product area, sector profile and site function. If a supplier's production site is assessed as high risk on the Sedex Risk Assessment Tool, we will ask the supplier to complete a Sedex Members Ethical Trade Audit (SMETA) or to share the results of a SMETA ethical audit from within the past year. If non-compliances are found, our approach is to work collaboratively with our suppliers to address these areas on time in line with the agreed corrective action plans.

## Non-food supply chains

In relation to auditing of our non-food supply chain, Lidl Group has been a member of the Business Social Compliance Initiative (BSCI) for over ten years. In this time, all tier one non-food suppliers regularly undergo a BSCI audit.

When issues are identified, action plans are developed, and progress is monitored by ethical trading specialists within the business. Within our non-food supply chains, the tier one production facilities for our own-brand textiles and footwear are published on our Lidl Germany website. This list currently includes over 450 producers and is updated every six months.

## Contractors

Regarding our contractors, we published our Modern Slavery Statement for Northern Ireland for the 2016 financial year, which sets out our expectations for the contractors that we use in Northern Ireland specifically. We require our contractors to agree to conduct a programme of annual training to ensure compliance with our Modern Slavery Requirements. If our contractors breach our Modern Slavery Requirements then we ultimately reserve the right to terminate our relationship with them.

# SUPPLY CHAIN SOCIAL STANDARDS

## Whistleblowing Hotline

Lidl operates a confidential whistleblowing hotline and online reporting system which members of the public, employees and business partners can avail of to report modern slavery or breaches of our policies and procedures. The reporting tool is available in almost all languages worldwide and is operated by a provider who is independent of Lidl, enabling customers, employees, and business partners to pass on anonymous, secure information, which is immediately forwarded to the compliance officer. The system ensures anonymity should it be required by the whistleblower.



Lidl Whistleblowing Hotline  
**+353 (0)1 4212083**  
 or email  
[compliance@lidl.ie](mailto:compliance@lidl.ie)

## Priority Risk Commodities and Sourcing Countries

Product/Commodity	Country
Fruit and Vegetables	Spain, Dominican Republic, Colombia, Costa Rica, Ivory Coast
Palm Oil	Indonesia, Malaysia
Cocoa	Ivory Coast
Tea	India, Kenya, Malawi, Zimbabwe, Tanzania, China
Coffee	Colombia, Guatemala, Indonesia
Fish and Seafood	Ireland, South Africa, Vietnam, Russia
Fresh Meat and Poultry	Ireland

## \* Next Steps

At Lidl, we know that a pro-active approach to the protection of human rights will mitigate and support the eradication of risks in our supply chains. In 2019 we will strengthen our actions to address risks, increase our supplier and internal engagement to build awareness and capacity and build on our existing policies. In 2019, we will be publishing our first Modern Slavery Statement for the Republic of Ireland.



## Salient Human Rights Risks



Child labour



Living wage



Forced labour



Land rights



Discrimination



Water security



Migrant labour exploitation



Health and safety

### Resources and Agriculture

Agricultural Inputs | Cultivation & Harvesting | Animal Keeping

### Supply Chain and Processing

Production | Processing | Transportation

### Operations and Processes

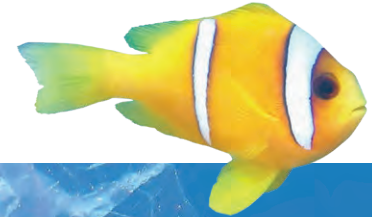
Logistics Centre | Transportation | Stores and Services

### Customer and Society

Purchase | Usage | Disposal



# SUPPLY CHAIN ENVIRONMENTAL STANDARDS



**THE PROLIFERATION OF PLASTIC IN MODERN DAY LIFE IS DEVASTATING FOR THE PLANET. IT IS ESTIMATED THAT 40% OF PLASTIC IS USED ONLY ONCE AND AROUND NINE MILLION TONNES OF PLASTIC END UP IN THE OCEAN EACH YEAR. IT IS, HOWEVER, IMPORTANT TO NOTE THAT PLASTIC PACKAGING SERVES IMPORTANT FUNCTIONS - SUCH AS PROTECTING GOODS IN TRANSPORT, EXTENDING SHELF LIFE AND COMMUNICATING PRODUCT INFORMATION TO CUSTOMERS.**

In 2018 China, the world's largest recyclable materials importer, decided to ban the importation of plastics from European countries, including Ireland. In direct response to this, flexible plastics were classified as unrecyclable locally. This presents a challenge for us in meeting our product recyclability targets as a significant portion of customer packaging is flexible.

## Our Approach

We are working proactively with suppliers and industry partners to reduce plastic use and improve the recyclability of these materials in our own-brand products. We recently discontinued the sale of single-use plastic items including plastic drinking straws, disposable plastic cups and glasses, plates and cutlery in stores. In the coming months, we have also committed to discontinuing the sale of plastic-stemmed cotton buds in stores nationwide. We are currently working with suppliers to replace the products with biodegradable alternatives and are committing to the end of 2019 as a deadline.

Additional measures in our Sustainable Plastic Strategy include the elimination of microbeads in all cosmetic and household ranges and the removal of unrecyclable black plastic from a number of categories. Black plastic packaging is not recyclable in Ireland or Northern Ireland because recycling sorting systems cannot detect the carbon black pigment.

\* National Geographic 2018

## Highlight

By changing the neck finish of the bottle and compacting the cap, we have reduced the plastic in our Carrick Glen Irish Still Spring water by 30%.



**It is estimated that by 2050, there will be more plastic in the sea than fish.**

Ellen MacArthur Foundation's 'New Plastics Economy Report'.

# SUPPLY CHAIN ENVIRONMENTAL STANDARDS

WE FIRMLY BELIEVE THAT A COMBINATION OF POLICY, INDUSTRY COLLABORATION AND CUSTOMER AWARENESS IS ESSENTIAL TO ACHIEVE IMPACTFUL PROGRESS ON THE WAR AGAINST PLASTIC. OUR RESEARCH INDICATES THAT CUSTOMERS ARE EXTREMELY CONCERNED ABOUT BOTH PLASTIC PACKAGING AND FOOD WASTE. WE AIM TO INCREASE AWARENESS AND COMMUNICATE TRANSPARENTLY WITH CUSTOMERS ABOUT OUR COMMITMENTS, TARGETS AND CHALLENGES.


## Our Commitments

**By 2019**



No unrecyclable black plastic on fruit, vegetables, meat, poultry or fish

**By 2022**



Plastic packaging volumes reduced by 20%

**By 2025**

**100%**

of our own-brand packaging will be widely recyclable, reusable or renewable

**By 2025**

**50%**

of our own-brand packaging will be made with recycled materials

**No microbeads**



in cosmetic and household products

 Remove single-use plastic items including plastic drinking straws, disposable plastic cups and glasses, plates and cutlery from our range

Case Study



## Bananas Packaging Solution

All of Lidl's bananas are responsibly sourced and certified to leading sustainability programmes, such as Rainforest Alliance, Fairtrade and Organic. In 2018, our buyers, together with Global Fruit, developed an innovative solution to remove the plastic packaging on the three million Fairtrade Organic bananas sourced in the Dominican Republic for Lidl customers. The paper banding, with a natural adhesive, eliminated plastic use holding the product in bunches with the Fairtrade, Organic messaging and barcode displayed. It is the first solution of its kind in Ireland and it minimises plastic volumes by ten tonnes annually.

## Formil

Collaboration with stakeholders and suppliers is crucial to building long-term and sustainable relationships.

Last year, our purchasing teams, together with the supplier of our Formil liquid detergent, reformulated the detergent in a more concentrated form. Thanks to this reformulation the container size was reduced, decreasing its carbon and plastic footprint. The higher concentration of liquid detergents will cut down the required dosage level from 75 millilitres per wash to 55 millilitres per wash.



Case Study

The new packaging will cut down plastic usage by approximately 116 tonnes per year.

## Highlight

Lidl Ireland and Northern Ireland are part of **REsetplastic**, the plastics strategy of the Schwarz Group. This holistic approach comprises five action areas: avoidance, design, recycling, disposal and education/innovation. In doing so we reduce the use of plastic and close the loop.

 Learn more: [www.reset-plastic.com](http://www.reset-plastic.com)



# OPERATIONS AND PROCESSES



# OPERATIONS CLIMATE PROTECTION



2018 was the world's  
**4th hottest year**  
recorded in the last  
138 years.

**CLIMATE CHANGE REMAINS OUR BIGGEST THREAT, IMPACTING THE WAY WE LIVE, BREATHE AND WORK AND YET PEOPLE ACROSS THE WORLD ARE CONSUMING NATURAL RESOURCES AT AN UNSTABLE RATE. AT LIDL WE ENDEAVOUR TO DECREASE OUR ENVIRONMENTAL IMPACT BY CONTINUOUSLY IMPROVING OUR RESOURCE EFFICIENCY FROM HOW WE TRANSPORT AND STORE GOODS, REFRIGERATE FRESH PRODUCE, MAINTAIN OUR STORES AND OFFICES, INVEST IN ENERGY EFFICIENCY, AVOID WASTE AND CONSERVE RESOURCES – WE AIM TO DO IT IN A WAY THAT MINIMISES OUR IMPACT ON THE ENVIRONMENT.**



## Climate Protection

Around the world record temperatures and unprecedented weather events are a regular news occurrence and it is clear that weather patterns are changing. Global temperatures in 2018 were the fourth warmest on record, adding to a stretch of five years that are now collectively the hottest period since modern measurements began.\* Failure to address climate change will inevitably undermine the world's economic and social stability.

In 2018, Ireland's own environmental record was reported to be among the worst in Europe and we are now on course to miss our EU carbon emission reduction target of 20% by 2020, paving the way for either a hefty EU fine or face a bill of hundreds of millions to pay for carbon credit allowances. Ireland's agriculture sector is among the largest sectors blamed for producing the harmful greenhouse gases which contributes to climate change.\*\*

At Lidl, we are playing our part in promoting climate protection across our operations and through the efficient use of resources such as energy usage, packaging and waste contributions. We have dedicated initiatives, partnerships and programmes in place to monitor and support the reduction of our environmental impact. Our programmes focus first and foremost on our own operations, prioritising the areas where we can have the greatest positive impact. Secondary to this, we have specific initiatives dedicated to supporting our supply chain emissions and impact. We believe that through targets, transparency, collaboration and communication with suppliers, employees and customers, we can build resilience against climate change.

\* NASA Goddard Institute for Space Studies, New York

\*\* Central Statistics Office

# OPERATIONS CARBON FOOTPRINT

IN 2017, WE CONDUCTED OUR FIRST CARBON FOOTPRINT ANALYSIS OF OUR OPERATIONS IN CONJUNCTION WITH THE CARBON TRUST, WHICH ENTAILED AN ANALYSIS OF OUR SCOPE 1 AND 2 EMISSIONS. IN 2018, WE PROGRESSED BY COMPLETING A SCOPE 3 ANALYSIS, WHICH INCLUDES ALL THE INDIRECT EMISSIONS THAT OCCUR IN OUR VALUE CHAIN. AS A FOOD RETAILER THE MAJORITY OF OUR IMPACT IS IN THE VALUE CHAIN. THIS PROVIDED US WITH A FULL INSIGHT INTO 'HOTSPOTS' OR KEY AREAS AND PRODUCT CATEGORIES EARMARKED FOR IMPROVEMENT. BY ACCURATELY ASSESSING AND ANALYSING WHERE WE WERE MOST IMPACTFUL, WE COULD MORE EFFECTIVELY TARGET AREAS AIMED AT REDUCING OUR CARBON FOOTPRINT.

## Carbon Footprint: Our Approach

Following on from our carbon footprint analysis, we developed our reduction strategy which first and foremost addresses efficiency measures including the certification of all operations to the ISO 50001 energy efficiency standard and measures such as the installation of more efficient technologies. We were also delighted to announce significant investment in on-site renewables by installing solar PV on a number of our stores and integrating solar PV into the specification of all new stores and major refurbishments.

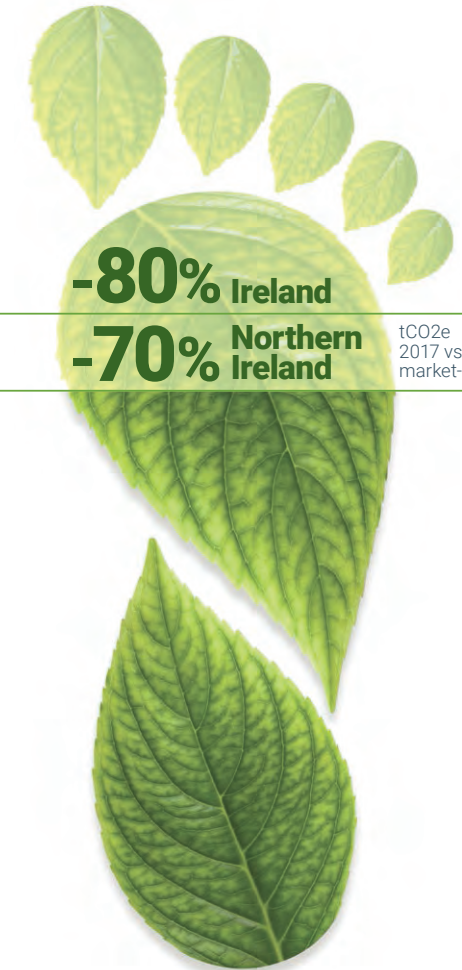
Our distribution centre in Newbridge, which will be completed in 2019, will also have an extensive array of solar panels. In 2018 we decided to switch to sourcing 100% renewable electricity, which has significantly reduced the carbon footprint (market-based\*) of our operations. As an expanding business we felt this measure was necessary while we implement the efficiency and on-site renewable measures. We expect to see the benefit in carbon reductions from on-site renewables in the coming years, as they will take some time to install.

Ireland	Emissions (tCO2e)		
	2017	2018	% CHANGE 2017-18
<b>SCOPE</b>			
<b>Scope 1</b>	9,605	8,866	-8%
<b>Scope 2 (location-based)</b>	37,716	34,574	-8%
<b>Scope 2 (market-based)</b>	34,442	0	-100%
<b>Total Emissions (location-based)</b>	47,321	43,440	-8%
<b>Total Emissions (market-based)</b>	44,047	8,866	-80%

- ✔ tCO2e /m<sup>2</sup> **130 to 114** (Carbon intensity decrease from 2017 to 2018 (location-based))
- ✔ tCO2e /m<sup>2</sup> **121 to 23** (Carbon intensity decrease from 2017 to 2018 (market-based))

Northern Ireland	Emissions (tCO2e)		
	2017	2018	% CHANGE 2017-18
<b>SCOPE</b>			
<b>Scope 1</b>	1,949	2,002	3%
<b>Scope 2 (location-based)</b>	5,573	4,734	-15%
<b>Scope 2 (market-based)</b>	4,755	0	-100%
<b>Total Emissions (location-based)</b>	7,522	6,736	-10%
<b>Total Emissions (market-based)</b>	6,704	2,002	-70%

- ✔ tCO2e /m<sup>2</sup> **88 to 76** (Carbon intensity decrease from 2017 to 2018 (location-based))
- ✔ tCO2e /m<sup>2</sup> **79 to 23** (Carbon intensity decrease from 2017 to 2018 (market-based))



**-80% Ireland**

**-70% Northern Ireland**

tCO2e  
2017 vs. 2018  
market-based.

\* We are reporting our location-based and market-based carbon footprint. The market-based approach reflects emissions from electricity that companies have purchased. The location-based approach reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data). Lidl has chosen to invest its spending in low-carbon electricity. Scope 1: Direct GHGs released in assets owned and controlled. Scope 2: Indirect GHGs resulting from purchased electricity consumed in owned assets. More information on our Scope 3 emissions will be provided in our next report. Our methodology follows the GHG protocol. More information at <https://ghgprotocol.org/>

# OPERATIONS

## ENERGY MANAGEMENT

**AT LIDL, WE AIM TO DECREASE OUR CLIMATE IMPACT BY CONTINUOUSLY IMPROVING OUR RESOURCE EFFICIENCY, PARTICULARLY IN THE AREA OF ENERGY USAGE. OVER THE LAST YEAR WE HAVE DEVELOPED OUR ENERGY MANAGEMENT STRATEGIES, INNOVATED IN OUR STORES AND PLANNED FOR THE FUTURE. OUR DEDICATED ENERGY MANAGER WORKS ALONGSIDE THE FACILITIES DEPARTMENT TO MONITOR AND REVIEW ENERGY USAGE ACROSS ALL LOCATIONS.**

The initiatives detailed below apply to all locations (stores, distribution centres, offices) unless otherwise specified:

- **ISO 50001 Certified Energy Management System (EnMS)**

In 2018, we recertified our EnMS to ISO 50001 across all our operations; stores, distribution centres and head office. The certification ensures our EnMS meets globally recognised best practice which helps us continually improve the energy performance of our buildings, optimise their use and reduce their operating costs. Our EnMS provides us with a comprehensive approach to smart energy use, with the aim of continually reducing energy consumption.

- **100% Green Electricity**

Since March 2018, Lidl Ireland and Northern Ireland converted to using only renewable electricity, reducing our carbon footprint significantly.

- **LED Lighting**

In 2018, we retrofitted lighting in 104 stores and two distribution centres to LED lighting which cut our energy consumption by 63.4% in this area.

- **Solar Energy is Our Way Forward**

In 2018, we committed to adding solar panels to all suitable new stores and major refurbishment projects. Three stores currently have solar panels installed and we are scheduled to have 11 by the end of 2019.

- **Quick, Clean and Green**

In 2018, we committed to adding e-car fast-charging docks to all suitable new stores. We currently have 22 stores with free customer chargers across Ireland and Northern Ireland

- **Energy in Real Time**

In 2018, Lidl trialled a new system with the Electricity Supply Board (ESB) which allowed us to identify areas where energy could be getting lost in real time. Live Energy Management systems will now be rolled out across all stores in 2019.

- **Refrigerant**

We are continuously changing to refrigerants with lower Global Warming Potential (GWP) in refrigeration units used to cool products in our stores and warehouses.



100% renewable electricity across all operations



Three stores with solar panels installed and 11 scheduled for completion by 2019



22 stores with free customer chargers



LED lighting in 104 stores and two distribution centres

# OPERATIONS EXPANDING SUSTAINABLY

**WE ARE A RAPIDLY GROWING BUSINESS, OPENING APPROXIMATELY FIVE NEW STORES ANNUALLY AND EXPANDING OUR DISTRIBUTION CENTRES. AS OUR PORTFOLIO OF STORES, WAREHOUSES AND CUSTOMER NUMBERS HAVE INCREASED, SO TOO HAS THE AMOUNT OF ENERGY WE'VE USED.**

We have experienced an increase in total energy consumption in our operations due to our expansion. While we are investing in more efficient buildings and technologies, we are also installing more equipment to ensure we can offer the best range and freshest produce to our customers.

As our business and workforce grow, our energy usage naturally follows. However, with the continued development of our energy management systems and innovative strategies, we hope to observe reductions in the coming year. We want to ensure we are growing our business and expanding our operations as sustainably as possible.

We implement energy efficiency technologies and equipment and install on-site renewable energy where possible, as well as sourcing green electricity. For example, all new concept stores are built with high-performance glass fronted façade to maximise natural daylight, have sensor controlled exterior sun blinds to reduce unwanted heat from the sun, operate waste heat recovery ventilation systems, have LED lighting, include high insulation with exterior cladding, and contain lighting sensors - all of which work to conserve energy. As previously mentioned this year we also decided to install solar PV systems on all suitable new stores and refurbishments.



Continually work on **energy efficiency** through our dedicated energy management programme

As part of ISO50001, we annually **review our performance** to maintain standards and outline the actions we have taken

Increase the **solar energy** capacity by integrating 2.6 MWh by 2020

We will continue to **raise awareness** of energy efficiency with employees as well as customers

Continue to source **Green Electricity** on an annual basis

Increase the number of **electric car stations** for our employees and customers



## Goals for the Future

# OPERATIONS ENVIRONMENTAL KPIS

Highlight



## Energy Project of the Year

We won the award for “Energy Project of the Year” at the Sustainable Energy Authority of Ireland (SEAI) Energy Awards in 2018 for our Renewable Energy Programme. The SEAI is Ireland’s national sustainable energy authority and the awards recognise excellence in all aspects of energy efficiency and renewable energy.

Ireland

	FY 17 kWh	FY 18 kWh
Total Energy Consumption	102,005,896	103,997,318 <sup>Δ</sup>
Total Energy Consumption (electricity)*	78,574,200	79,116,467 100% renewable electricity
Total Energy Consumption (heating)*	23,431,696	24,880,851

FY18 Energy Intensity 272 kWh/m<sup>2</sup> FY17 Energy Intensity 280 kWh/m<sup>2</sup>

Northern Ireland

	FY 17 kWh	FY 18 kWh
Total Energy Consumption	21,571,671	23,619,962 <sup>Δ</sup>
Total Energy Consumption (electricity)*	15,983,373	16,902,585 100% renewable electricity
Total Energy Consumption (heating)*	5,588,298	6,717,377

FY18 Energy Intensity 267 kWh/m<sup>2</sup> FY17 Energy Intensity 253 kWh/m<sup>2</sup>

\* Cooling and steam energy sources are not utilised or relevant for Lidl Ireland and Northern Ireland. The above totals were collated direct from supplier data. Where a gap in the data occurred, an average was used (kWh/m<sup>2</sup>). A conversion factor of 7 was used for LPG litres to kWh. No other conversion factors were utilised in this data collection.

<sup>Δ</sup> Audited by EY





# OPERATIONS WASTE MANAGEMENT



**THERE ARE 7 BILLION OF US ON THE PLANET, PRODUCING WASTE EVERY DAY. A STAGGERING HALF OF THAT ISN'T COLLECTED, TREATED OR SAFELY DISPOSED OF, LEADING TO A GLOBAL WASTE CRISIS.**



At Lidl, we are committed to developing innovative ways to effectively manage our waste streams to ensure that we recycle more and reduce our general waste, which goes to incineration for energy generation. While we aim to reduce the overall waste that we generate in our operations, this is proving challenging as our organisation grows.

We work closely with packaging and waste experts in both Ireland and Northern Ireland to ensure we are as efficient as possible. In Ireland we work with Repak, the European Recycling Platform Ireland (ERP) and WEEE Ireland. In Northern Ireland we work with Wastepack, Ecosurety and Clarity.

Together with these partners and suppliers we continue to develop advanced ways of controlling and reducing our waste channels.

**Repak** is a not-for-profit company that charges fees to Irish suppliers in accordance with the amount and type of packaging they place on the Irish market.

The **ERP** supports Irish producers with waste and disposal compliance and reporting.

**WEEE Ireland** support, organise and finance the environmental management of producers' batteries and electrical products at their end of life.

**Wastepack** is an environmental consultancy in England that provides advice on waste compliance and regulations.

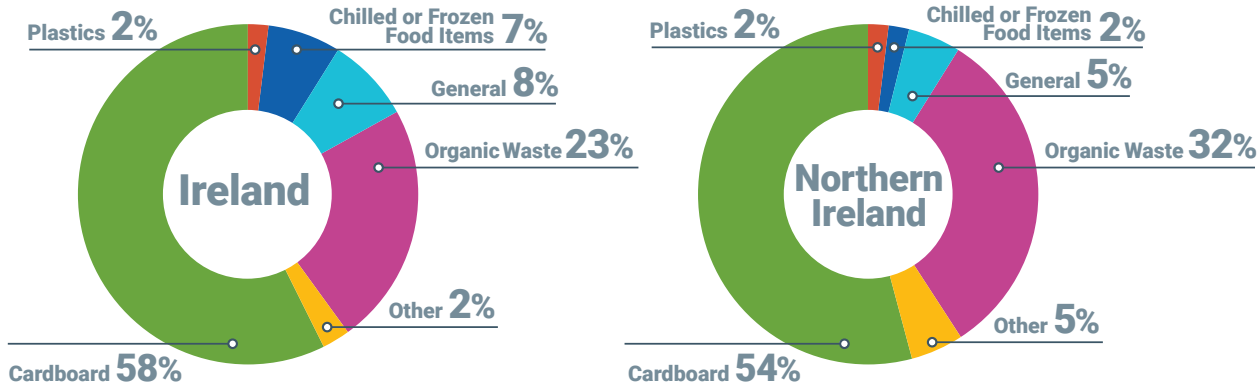
**Ecosurety** is a UK compliance scheme investing in quality recycling for packaging.

**Clarity** specialise in environmental compliance, recycling and waste management.



# OPERATIONS AND PROCESSES

## WASTE MANAGEMENT



### Batteries for Barretstown

We continued our partnership with the European Recycling Platform (ERP) Ireland, Batteries for Barretstown, aimed at increasing awareness of battery recycling and raising much needed funds for the children's charity, Barretstown. In Ireland, we collected 48,041 batteries from customers in our stores. In Northern Ireland, we also collected 1.71 tonnes of batteries for recycling.

### Recycling Events

We held recycling events in stores in Listowel, Co Kerry; Castletroy, Co. Limerick; Blakestown, Dublin 15 plus Virginia and Cavan Town stores to encourage customers to recycle any unwanted electrical goods.



### Recycling Stations

In 2018 we successfully trialed the installation of recycling bins behind our tills in a number of stores. These bins provided customers the opportunity to dispose of unwanted excess packaging into appropriate bins. We then recycle the material on their behalf. We look forward to rolling this out across our network of stores in Ireland and Northern Ireland in 2019.

### Zero Waste to Landfill

Thanks to the hard work and commitment of our logistics and procurement teams and all our store and warehouse employees, we achieved Zero Waste to Landfill status for a second consecutive year and we are working hard to maintain this. Much of our waste is cardboard, which is reused for paper and packaging. Our organic waste is turned into renewable energy through anaerobic digestion methods.

### 2020 Goals and KPIs

Achieve zero waste to landfill	<b>Achieved</b>
Reduce general waste by 10%	<b>On track</b>
Redistribute one million meals in surplus food	<b>On track</b>

# OPERATIONS

## FOOD WASTE

**FOOD WASTE CARRIES A SIGNIFICANT COST, SOCIALLY, ENVIRONMENTALLY AND ECONOMICALLY, AND IS A HUGE CHALLENGE FACING OUR SECTOR AND SOCIETY. ACCORDING TO THE EUROPEAN COMMISSION'S 2016 FUSION FOOD WASTE REPORT, EUROPEANS THROW OUT APPROXIMATELY 88 MILLION TONNES OF FOOD, WHICH REPRESENTS A LOSS OF AROUND €143 BILLION.**

According to the United Nation's Food and Agricultural Organisation approximately one in three calories produced is wasted, at a time when we need to reduce our energy, water usage and carbon emissions. In Ireland, one in 11 families live in food poverty, with over one million tonnes of food wasted in Ireland per year.\*

To play our part in tackling food waste we operate a national food redistribution programme. Working in conjunction with FoodCloud, a social enterprise, we connected each of our stores to local charities to redistribute surplus food to reduce food waste and help feed people in need. Almost half of all donations made are fresh fruit and vegetables, supporting better health and nutrition within the charity and community groups that we support across the island of Ireland.



In Ireland, we now donate **50,000 meals** every month

In Northern Ireland, we now donate **15,000 meals** every month

\*Social Inclusion Monitor (2017), Department of Employment Affairs & Social Protection



Highlight



### Snack Strawberries

After a visit to our strawberry supplier, our Fruit Buyer Gavin Byrne, found out that a sizeable amount of our top-quality strawberries had not been making it to our shelves because of their size. Gavin worked directly with the supplier to end this wastage and together they introduced Snack Strawberries! Snack Strawberries joined our everyday range and are now sold in all stores.

**OVER THE LAST TWO YEARS, LIDL IRELAND HAVE HELPED SUPPORT OVER 300 CHARITIES ACROSS IRELAND, REDISTRIBUTING APPROX. 480 TONNES OF SURPLUS FOOD FROM STORES AND DISTRIBUTION CENTRES THAT MIGHT OTHERWISE HAVE GONE TO WASTE. THIS FOOD REPRESENTS THE EQUIVALENT OF OVER €1.4 MILLION IN SAVINGS TO THE CHARITY SECTOR WHICH IS AN INCREDIBLE ACHIEVEMENT.**

Iseult Ward, CEO FoodCloud

# OPERATIONS

## FOOD WASTE

### How does this help?



**BLUESTACK SPECIAL NEEDS FOUNDATION** collect from Lidl Donegal on Tuesdays and Thursdays. They use the food received from Lidl through FoodCloud to distribute it directly to families caring for someone with a disability. Disability can seriously compromise one's ability to work and subsequent earning capacity. The parents who Bluestack Special Needs Foundation work with often struggle financially and they have seen the families express much gratitude and appreciation for the donations they have received.



**VIA WINGS** is a charity that develop creative and flexible solutions to multiple, complex and entrenched social issues, experienced by families and individuals, such as poverty, mental illness, addiction, loneliness, isolation, harm or abuse, trauma, profound or complex needs and ill health. Via Wings collects from Lidl Banbridge every Monday, Tuesday and Wednesday and they use the food to redistribute to their client base. These donations make an impact on the disadvantaged in many ways. It not only improves their overall diet but it also goes some way to restoring dignity and beginning to break the grip poverty has on them, regardless of how they got there.

Year	kgs Donated	Meals Donated	Equivalent Saved	CO2 kg Saved*
2017 Ireland	91,387.10	201,052	€274,161.30	2,924.39
2017 Northern Ireland	53,566.50	117,846	€138,299.34	1,714.13
2018 Ireland	179,136.75 <sup>A</sup>	394,101	€537,410.25	5,732.38
2018 Northern Ireland	74,574.50 <sup>A</sup>	164,064	€192,538.33	2,386.38

**Target Ireland:** In 2016, we set ourselves the target of donating one million meals by 2020. We are on-track and to date we have reached 595,152 meals.

**Target Northern Ireland:** In 2016, we set ourselves the target of donating 250,000 meals by 2020. We have already surpassed this target with 281,910 meals already donated in Northern Ireland.

Our distribution centres have also donated over 195,000 meals to FoodCloud hubs over the last two years. These donations occur infrequently when distribution centres have additional stock.

<sup>A</sup> Audited by EY

\* 1kg= 3.2kgs of CO2. This was calculated from an average of the different food categories donated.



# OPERATIONS EMPLOYEE RESPONSIBILITY



**IT IS THE DEDICATION AND COMMITMENT OF OUR EMPLOYEES THAT CEMENT OUR POSITION AS A LEADING RETAILER. TO ENSURE THAT OUR TEAM UNDERSTANDS AND FEELS PART OF OUR COLLECTIVE CULTURE, WE CREATED #WEARELIDL.**

This people and culture strategy embodies the principle that we are all one team and that success for each individual means success for everyone. It focuses on developing sustainable relationships by engaging leaders, prioritising employee wellbeing and implementing consistent and transparent two-way communication, while positively contributing to business objectives. We are constantly building on our people and culture strategy, #WeAreLidl, to ensure that all our employees are supported, motivated and valued.

Our employees work in different environments – in stores, warehouses and offices – which is why it’s crucial that our core values and #WeAreLidl people strategy resonates with everyone. We recognise that the variety of important roles our team fulfil means that individual needs can vary.

**OUR PEOPLE ARE THE SECRET TO OUR SUCCESS. FOR THAT SUCCESS TO CONTINUE, WE EACH NEED TO BE THE BEST THAT WE CAN BE. IT IS OUR OBJECTIVE TO BECOME IRELAND’S TOP EMPLOYER, BE A GREAT PLACE TO WORK WHERE HEALTH AND WELLBEING IS ACTIVELY ENCOURAGED, WHERE OUR COLLEAGUES’ SAFETY IS PARAMOUNT AND WHERE OPPORTUNITIES ARE OPEN TO ALL.**

**Maeve McClean**, Director of Human Resources



# OPERATIONS EMPLOYEE RESPONSIBILITY



**LAUNCHED ON NATIONAL WORKPLACE DAY IN 2016, OUR 'WORK SAFE. LIVE WELL.' PROGRAMME EMBODIES OUR OVERARCHING HEALTH AND WELLBEING AGENDA. HOLISTIC IN ITS APPROACH, IT FOCUSES ON PHYSICAL SAFETY, HEALTH AND WELLNESS, AND FINANCIAL WELLBEING.**

Our programme was designed to ensure that our core values of Respect, Responsibility, Recognition and Trust were reflected in the aims.

These aims were to:

- Embed a culture of **employee wellbeing** into our business
- Deliver health and wellbeing initiatives that **support healthy lifestyles**
- Ensure **safety at work** is prioritised and understood as the responsibility of all employees
- Ensure employees have an **awareness** of the range of benefits on offer to them and utilise them to the maximum potential



## Respect Responsibility Recognition Trust Values

Guided by employee feedback and aligned with key business objectives, we have put a strong focus on creating an environment where our employees safety and wellness is prioritised from their personal safety at work to their overall sense of wellbeing.

- **Be Well:** encouraging and promoting healthy diet and nutrition
- **Be Fit:** encouraging physical activity and fitness, individually and within a team
- **Be Mindful:** raising an awareness of mental health and providing and developing the tools and supports available to promote positive mental health

A number of targeted initiatives have been launched to support the health and wellbeing of our employees including the provision of:

- Free and confidential **Employee Assistance Programme**
- Free fruit baskets** and **personalised water bottles** for all employees
- Health campaigns** that focus on the benefits of hydration, rest and exercise, along with a focus on the impact of excessive sugar
- Access to free online **HealthScore** and **MindScore** reports which are two innovative holistic health and wellbeing screening tools\*
- A dedicated **mental health campaign**, offering training, advice and practical exercises for 'switching off', guidance on dealing with stress and anxiety and promoting mindfulness
- Free **health screening** for cardiac conditions and diabetes
- Smoking cessation** seminars

\* HealthScore is an online questionnaire which provides a 360-degree view on the health and wellbeing. MindScore is an online mental health assessment used to identify and educate around possible mental health issues.

# OPERATIONS OCCUPATIONAL HEALTH AND SAFETY

**EVERY YEAR, MILLIONS OF PEOPLE ARE INJURED AT WORK AROUND THE GLOBE, RESULTING IN SEVERE CONSEQUENCES FOR ALL CONCERNED, NOT JUST THE EMPLOYEE IN QUESTION, BUT THEIR FAMILY, COLLEAGUES AND MANAGERS. A WELL-ORGANISED WORKPLACE WHICH PUTS SAFETY FIRST IS ESSENTIAL.**

At Lidl, we are firmly committed to maintaining the quality of our health and safety-at-work controls through reviews, continuous assessment, strong and meaningful communication methods and by raising awareness.

We operate an effective Environment, Health and Safety (EHS) Management System which guides and protects our employees by tracking and recording all incidents on a system. Once added, an investigation is carried out and a summary saved on our management tracker. This system is not currently accredited to ISO but is on track for accreditation to ISO 45001 by 2020.

All employees are provided with full terms and conditions of employment that are continually reviewed and updated to reflect best practice and any new changes to employment law. Our dedicated health and safety department works closely with our international teams and stakeholders to ensure that all health and safety standards are met and supported in every department and by all our employees. Additionally, we enforce a strict Dignity at Work policy which helps to safeguard employees from any incidents of bullying, harassment or discrimination.

Our **Health and Safety Team** achieve this by:

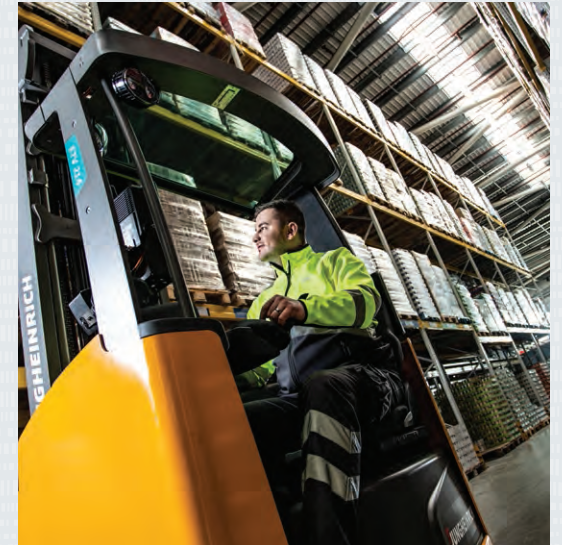
- Regularly **identifying and assessing** all risks
- Implementing effective **control measures** and reviewing these on a regular basis
- Ensuring our **EHS Management System** is developed in accordance with the ISO 45001 standard and ensuring implementation throughout the organisation
- Carrying out **regular inspections** and audits to ensure compliance and continuous improvement within Lidl
- Providing **best practice training** and advice
- Supporting and driving a **positive, proactive culture**
- **Working closely** with all departments within Lidl to ensure EHS is embedded within all processes and procedures



**WE ARE 100% COMMITTED TO THE SAFETY OF OUR COLLEAGUES. OUR ENVIRONMENTAL, HEALTH AND SAFETY TEAM IS ALWAYS WORKING TO PROVIDE ALL STORE, WAREHOUSE AND OFFICE COLLEAGUES WITH THE RIGHT TOOLS, TRAINING AND SUPPORT, SO THEY CAN RETURN HOME SAFELY WHEN THEIR WORKING DAY ENDS.**

**Alan Barry**, Director of Property and Central Services

Highlight



Though our **Safety Forums**, which evolved into our Work Safe. Live Well. Forums, employees can provide feedback on how to create an environment where our employees feel that their safety and wellness is prioritised. These collaborative forums allow us to ensure that communication lines are always wide open and that employees understand that any concerns they may have are being considered and acted upon appropriately.

# OPERATIONS LABOUR RIGHTS

**AT LIDL, WE EMPLOY A DIVERSE AND TALENTED WORKFORCE. WE ARE COMMITTED TO PROVIDING A BROAD RANGE OF EMPLOYEE BENEFITS TO ENSURE THAT OUR EMPLOYEES ARE NOT ONLY FULLY SUPPORTED AT WORK, BUT ALSO PERSONALLY.**

Our definition of benefits includes various types of non-wage compensation provided to employees in addition to their normal wages or salaries. We are proud to provide significant benefits to reward hard work and commitment and to make their wellbeing our priority.

## Benefits Overview

- **Living Wage Rate** for all entry level employees
- **Commute to Work for less:** Lidl's Bike to Work Scheme allows employees to purchase a bike tax-free up to the value of €1,000/£1,000 or to order annual tax-saver travel ticket
- Minimum **20 days annual leave**
- We provide a leading **Pension Scheme**, allowing employees to plan for their future, with Lidl matching a minimum of 3%
- A range of **leave options:** Unpaid Sabbatical, Paid Sick Leave, Paid Marriage Leave, Paid Volunteer Day
- We support work-life balance by providing **Maternity and Paternity top-up** after one year's length of service
- A competitive **healthcare scheme** with discounts or paid cover
- Paid **life insurance**
- **Company car** or allowance (*role dependent*)
- **Disability cover** (*role dependent*)
- **Longevity** bonuses
- **Free Employee Assistance Program (EAP)** available to all employees and their families
- We promote **team building** by directly subsidising a variety of activity groups in the Sports and Social community

All of the benefits listed are available to full and part-time employees in Ireland and Northern Ireland with the exception of paid medical cover, disability cover and company car only being offered to certain full-time employees.<sup>▲</sup> In the absence of paid medical cover, part-time employees are guaranteed a 10% discount on their personal healthcare cover through Lidl's healthcare partner. Lidl does not offer shares or stocks as we are a private company.

In addition to the benefits package, employees are offered a free savings scheme where they can set aside any amount they choose each month which will be shared with them for Christmas. Lidl has also secured national discounts with a leading phone provider and fuel provider available to all employees in all locations. These additions were introduced to further support work-life balance and to reward the commitment and hard work of all employees.

➤ **Employees can learn more about all benefits through their employee handbook, intranet and Employee Relations Managers.**

▲ Audited by EY





# OPERATIONS

## LABOUR RIGHTS

### Living Wage

Financial security is vital for everyone. That's why we were the first nationwide retailer in Ireland and Northern Ireland to introduce the Living Wage for all team members in 2015. Last year, we made a further commitment to match the latest revised rate recommended by the Living Wage Technical Group in Ireland and the Living Wage Foundation in Northern Ireland. The Living Wage is an independently assessed and measured rate of income considered necessary to meet everyone's basic needs such as housing, food, clothing, transport and healthcare – the cost of which is not always covered by the national minimum wage.

**Lidl Ireland's**  
entry level wage increased  
from €11.70 to  
**€11.90**  
per hour for  
**16% of employees**  
who are in the first year of  
employment with Lidl.

**Lidl Northern Ireland's**  
entry level wage increased  
from £8.75 to  
**£9.00**  
per hour for  
**11% of employees**  
who are in the first year of  
employment with Lidl.

### All other employees working in Lidl already earn in excess of the real Living Wage rate.

In 2019 we will be increasing the pay of all hourly paid store and warehouse employees. In response to feedback from employee surveys, Lidl will also be offering all store and warehouse employees the opportunity to take on a 30-hour contract which gives them security with regards to hours.

Highlight

TO ENSURE WE CONTINUE TO IMPROVE IN EVERY AREA AND THE IMPACT OF OUR INITIATIVES ARE FELT LONG INTO THE FUTURE, WE HAVE SET OURSELVES NEW TARGETS, INCLUDING:



Increasing annual **employee participation** in wellbeing initiatives under the Work Safe. Live Well. programme.



Year on year increase in our **Health Factor** score.\*



Delivering an **annual increase** on mental health awareness initiatives.



**Doubling employee numbers** accessing benefits by 2020.



**LIDL IS PROUD TO CHAMPION THE LIVING WAGE IN IRELAND. OUR PEOPLE ARE CENTRAL TO OUR SUCCESS. THEY LOOK AFTER OUR CUSTOMERS, DRIVE OUR OPERATIONS AND SUPPORT OUR COMMUNITIES ACROSS IRELAND AND NORTHERN IRELAND. IT IS IMPORTANT FOR US TO REWARD THEM – NOT JUST WITH MARKET LEADING REMUNERATION RATES BUT ALSO BY CREATING AN ENVIRONMENT WHERE OUR COLLEAGUES' HOLISTIC NEEDS ARE PRIORITISED.**

**J.P. Scally**, Managing Director

\* Health Factor is the difference in the total number of sickness hours divided by the total number of contracted hours x 100

# OPERATIONS LEARNING AND DEVELOPMENT

**OUR LIDL LEARNING & DEVELOPMENT TEAM SPECIALLY DEVISE AND DELIVER OUR TALENT MANAGEMENT STRATEGY. STRUCTURED, ON-THE-JOB TRAINING IS OUR FOUNDATION. OVER THE PAST 12 MONTHS, WE HAVE INVESTED OVER 57,000 TRAINING HOURS IN IRELAND AND 13,000 TRAINING HOURS IN NORTHERN IRELAND ACROSS OUR STORES, WAREHOUSES AND OFFICES AND PROVIDED OVER 200 TRAINING COURSES TO SUPPORT PERSONNEL DEVELOPMENT AND BUSINESS GROWTH.**

We have also invested in several development programmes to help employees fulfil their career potential, including:

- In 2018, we introduced our bespoke **Feed Your Mind** programme as part of a €2.1 million investment to provide at least 17 managers with the opportunity to obtain a fully-funded degree whilst earning an attractive salary package and working in our stores and warehouses.
- Our **Get into Retail** programme with the Prince's Trust in Northern Ireland helps young disadvantaged people to develop employability skills within retail. As part of the programme we offer approximately 30 internships every year. Since the beginning of the programme, we have had a 56% retention rate with 64 participants offered full time employment contracts. Designed for candidates aged 18-30 years who are keen on a career in retail and who are currently not



in education, training or employment, it supports employment and education while recognising the needs of those who do not pursue further education. Benefits include the provision of practical experience in a retail environment in Northern Ireland, direct training for a variety of roles and the provision of full travel expenses.

- **Ready for Work** is an initiative which provides dedicated work placements for disadvantaged job seekers. This programme, developed in association with Business in the Community, provides for 12 placements annually in Lidl stores and warehouses in the Republic of Ireland. Aimed at those who may be more marginalised in our society, the programme provides meaningful work experience and a boost for employability skills and helps promote inclusivity in our workplace.
- In 2016, we launched the **Lidl Bursary** in Northern Ireland, providing University of Ulster business undergraduates with direct funding to support their studies as well as a guaranteed placement at Lidl. Incorporating an investment of around £272,000 for ten students over the past two years, the programme has an excellent retention rate of 60%.
- To support greater development opportunities for our warehouse employees, we introduced a new **Logistics Manager Development Initiative** to align the warehouse and sales divisions (who have already completed a similar programme), ensuring greater understanding between both. This programme was also accredited by City and Guilds and over 40 Deputy Logistics Managers earned a certificate at the end of the two year programme.



**YOUTH  
CAN  
DO IT**

**THIS PROGRAMME REALLY TURNED MY LIFE AROUND! I WENT FROM BEING UNEMPLOYED TO HAVING A FULL-TIME JOB WITH AMAZING CAREER PROSPECTS. GETTING THIS JOB HAS CHANGED MY LIFE IN A MAJOR WAY. I FEEL SO THANKFUL TO HAVE THIS OPPORTUNITY.**

**Danielle Brush,**  
Prince's Trust Graduate



**Feed Your Mind**



**Get into Retail**



**Ready for Work**



**Lidl Bursary**



**Logistics Manager  
Development Initiative**

# CUSTOMER AND SOCIETY

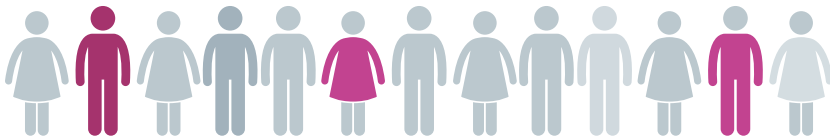


# CUSTOMER AND CORPORATE CITIZENSHIP SOCIETY

**THROUGH THE COMMUNITY PILLAR IN OUR A BETTER TOMORROW PROGRAMME, WE ARE WORKING HARD TOWARDS ACHIEVING A SUCCESSFUL, SUSTAINABLE FUTURE, NOT JUST FOR OUR BUSINESS BUT FOR ALL THE COMMUNITIES WE SERVE. WITH CURRENTLY 200 STORES ACROSS THE ISLAND OF IRELAND AND NEW STORES PLANNED, WE HOPE TO FURTHER EMBED OUR PRESENCE AND FOOTPRINT ACROSS OUR COMMUNITIES AND TO BUILD OUR REPUTATION AS A COMPANY WHICH SUPPORTS LOCAL – LOCAL PRODUCE, LOCAL COMMUNITIES AND LOCAL CHARITIES.**

At Lidl, we embrace our responsibility, working hard and smart to bring about real change in our communities, where it matters most, through innovation, investment and active leadership.

We have developed a broad range of initiatives and partnerships across Ireland and Northern Ireland with the specific aim of supporting local communities; including our charity partnerships with **Jigsaw** and the **National Society for the Prevention of Cruelty to Children (NSPCC)** Northern Ireland, our Autism Aware Evenings in all stores, and our ground-breaking sponsorship of the Ladies Gaelic Football Association (LGFA). Each initiative contributes to a different aspect of community life, is measured and monitored and is always reviewed against stakeholder feedback, research and KPIs.



# CUSTOMER AND SOCIETY

## JIGSAW

**IN 2018, WE FORMED A PARTNERSHIP WITH JIGSAW IRELAND - THE NATIONAL CENTRE FOR YOUTH MENTAL HEALTH. THROUGH JIGSAW'S OWN RESEARCH, THEY IDENTIFIED THAT MENTAL HEALTH IS THE NUMBER ONE CONCERN FOR YOUNG PEOPLE ACROSS IRELAND.**

As our world continues to change, evolve and become ever-more complex and pressurised, the stresses on our young people are greater than at any other time in history. The outcomes of this pressure are clear - suicide remains the biggest cause of death among Irish young people aged 15-24, rates of self-harm are higher than ever before, and young people are experiencing unprecedented levels of anxiety and stress in their everyday lives.

**Pledged to raise  
€1,000,000  
over 3 years**

- At least **one in five** young people in Ireland will go through some kind of mental health difficulty before the age of 25.
- Mental health is young people's **number one concern**. The stresses on our young people are greater than at any other time in history.
- Many young people in distress are **not seeking help**.

With 13 dedicated services in communities across Ireland, Jigsaw provide early intervention mental health supports to young people aged 12-25. Its vision is to create an Ireland where every young person's mental health is valued and supported.

Through our committed partnership, we have pledged to raise €1 million over three years and to raise vital awareness of youth mental health across Ireland. Our funding will go directly into the development of a dedicated Schools Programme. According to the World Health Organisation, an effective school health programme can be one of the most cost-effective investments a nation can make to simultaneously improve education and health.

The programme will support schools and communities in supporting young people with their mental wellbeing. In year one, Jigsaw aims to reach over 80,000 young people, as well as hundreds of teachers and school leadership teams and thousands of parents across 100+ schools. We are delighted to be supporting such a positive, impactful initiative.

**VOICE**  
EVIDENCE HOPE  
INNOVATIVE  
YOUTH-LED COMMUNITY  
EMPOWERING LISTEN



**JIGSAW**  
Young people's  
health in mind

# CUSTOMER AND SOCIETY

## JIGSAW

**OUR STRATEGIC PARTNERSHIP WITH LIDL HAS BEEN HUGE IN RAISING AWARENESS ABOUT JIGSAW AND MAKING OUR SERVICES ACCESSIBLE TO ALL YOUNG PEOPLE. THROUGH THE UNWAVERING SUPPORT AND DETERMINATION OF LIDL, AND THEIR AMAZING STAFF, IT'S CLEAR THAT CORPORATE SOCIAL RESPONSIBILITY AND COMMUNITY DEVELOPMENT ARE VALUES WHICH LIDL CLEARLY PRIORITISES. LIDL'S SUPPORT FOR JIGSAW STRETCHES BEYOND WORDS ON A PAGE OR EUROS ON A CHEQUE.**

**Mike Mansfield**, Head of Fundraising, Jigsaw

### OneGoodAdult

Awareness is another key feature to this partnership with Jigsaw. Through close collaboration with teams in our stores, distribution centres and head office, we developed bespoke campaigns to support Jigsaw nationwide in raising awareness of the importance of OneGoodAdult in a young person's life. We want to support local communities and shine a light on the role friends, family, teachers, coaches and colleagues can play when it comes to supporting young people with mental health concerns. The importance of someone that is available and willing to listen without judgement when they need it cannot be understated.

Over the next few years, we want to build national awareness for youth mental health, encouraging people to become OneGoodAdult in a young person's life and raise much needed funds for Jigsaw. Through close collaboration and commitment, we believe we can support youth mental health, educate customers about the role they can play and positively contribute to how Ireland thinks about youth mental health. We look forward to recording our progress and sharing it with our stakeholders.

So far, we've raised over  
**€500,000**

Reached over  
**2.3 million**  
people on social media

Lidl was reported as the  
**first place**  
people had heard of Jigsaw

Our radio campaign promoting listening to young people reached **950,000** people

Highlight



Driving our partnership through local fundraising, regional initiatives and participation, our employees co-ordinated multiple local and national fundraisers, including Superhero Saturday, Lidl's Got Talent and an exciting Skydive. We also developed a nationwide awareness campaign as part of mental health awareness week.

The Bakery, a pop-up café that moved around four locations in Ireland offering a space for people to talk and enjoy a break from life. The Pumpkin Patch, a family fun event in aid of Jigsaw at Halloween. This collaborative approach has already brought in more than €500,000 for Jigsaw to date while also creating stronger awareness for the organisation and its OneGoodAdult campaign.



# CUSTOMER AND SOCIETY

## NSPCC NORTHERN IRELAND

**OUR TWO-YEAR PARTNERSHIP WITH NSPCC NORTHERN IRELAND WAS LAUNCHED IN NOVEMBER 2017 WITH A COMMITMENT TO RAISE £250,000 FOR THE CHARITY. THE NSPCC IS A LEADING CHILDREN'S CHARITY PROVIDING A RANGE OF THERAPEUTIC AND PROTECTION SERVICES FOR CHILDREN AND YOUNG PEOPLE IN NORTHERN IRELAND.**



Lidl are raising essential funds to support a range of vital services in Northern Ireland such as **Childline**, a confidential and free to contact 24-hour counselling service for children and young people up to the age of 19. We have also been raising funds to support the charity's **Speak Out. Stay Safe** School Programme which reached 67,129 primary school children in 359 schools in 2018.

We have supported the charity through a number of in-store campaigns to help raise awareness and keep children safe across Northern Ireland; such as raising awareness of the NSPCC's free phone **Helpline 0808 800 5000** which provides advice and support to adults who are worried about a child. In 2018, 610 referrals were made from the Helpline in Belfast to local agencies and the NSPCC worked with 500 children and families at their service centres in Belfast, Craigavon and Foyle to help children recover from abuse and working with families to prevent abuse. In our 2018 financial year alone, our dedicated team in Northern Ireland raised over £300,000 through a variety of activities from supermarket sweeps and boat races to superhero fundraising days.

**WE'VE BEEN OVERWHELMED BY THE SUPPORT OF OUR FRIENDS IN LIDL OVER THE LAST 12 MONTHS. THE INCREDIBLE AMOUNT OF MONEY THEY HAVE RAISED IS ENABLING US TO KEEP LOCAL CHILDREN AND YOUNG PEOPLE SAFE. LIDL ARE NOT ONLY CHANGING CHILDREN'S LIVES THROUGH FINANCIAL SUPPORT, CRUCIALLY THEY ARE HELPING US TO RAISE AWARENESS OF THE PROBLEMS AND ISSUES FACING CHILDREN AND YOUNG PEOPLE TODAY.**

**Catherine Nuttall**, Head of Fundraising, NSPCC Northern Ireland



# CUSTOMER AND SOCIETY LADIES GAELIC FOOTBALL ASSOCIATION



**SINCE 2016, LIDL HAS INVESTED OVER €4 MILLION IN THE LADIES GAELIC FOOTBALL ASSOCIATION IN IRELAND THROUGH PROGRAMMES WHICH INCLUDE LIDL'S FUTURE STARS, POST PRIMARY SCHOOLS COMPETITIONS AND CLUB COMPETITIONS. WE ARE ALSO ENGAGED IN PROMOTING THE SPORT THROUGH MAJOR NATIONWIDE CAMPAIGNS WHICH CONTINUE TO DRIVE AWARENESS FOR LADIES GAELIC FOOTBALL. IN 2017, WE COMMISSIONED THE FIRST IRISH-BASED RESEARCH INTO HOW SPORT PARTICIPATION IMPACTS THE LIVES OF WOMEN BOTH ON AND OFF THE PITCH.**

The research revealed that by the age of 13, around one in two young female participants will have dropped out of sport and are three times more likely to drop out of sport than males. Since 2016, Lidl have developed the #SeriousSupport movement for Ladies Gaelic Football and female participation in sport in Ireland.



## Raising awareness

One of the objectives of the sponsorship for Lidl was to raise the awareness of Ladies Gaelic Football and in turn give women's sport the recognition it deserves. Since 2016, Lidl promoted the sport through all available media platforms including: TV ads, billboards, newspapers, social media, digital adverts and through the store network in Ireland. No other brand in Ireland has invested this level of promotional support exclusively into women's sport and undoubtedly this has helped the association grow its game, as evidenced with a large spike in attendances at games since the partnership began.



**145 post primary schools** received jerseys and equipment



**150 clubs** received cash donations



**150 clubs** received vouchers worth a total of €75,000



**A further 155 LGFA juvenile club teams** received jerseys and equipment



**1,389 participants** received jerseys and balls at Lidl Future Stars events

**3 record breaking attendances** at the TG4 All-Ireland Championship Finals



The 2018 TG4 All-Ireland Championship Final had 50,141 attendees, a jump of nearly 20,000 from 2015, the year before Lidl Ireland began its sponsorship.



# CUSTOMER AND SOCIETY

## 20x20

In 2018, Lidl furthered its commitment to the LGFA and women's sport by becoming a programme sponsor to the **20x20** (20% by 2020) movement, creating a cultural shift in our perception of girls and women in sport by increasing visibility and awareness around women's sporting activity.



These are the targets we have set by end 2020:

- 20% more media coverage** of women in sport.
- 20% more female participation** whether at player, coach, referee or administration level.
- 20% more attendance** at women's games and events.

## Cope Foundation

Cope Foundation is a charity that supports children and adults with intellectual disabilities and/or autism throughout County Cork. Their services include early intervention support, support in education and school, training and guidance, as well as opportunities such as art therapy and work experience. Lidl Ireland have been working closely with the Cope Foundation for over two years, offering over 35 placements and seven full time roles to Cope members.



## AUTISM AWARE STORE



Feedback from our stakeholders indicated that shopping can be a stressful time for people with autism – brighter lights, crowded spaces and noise can lead to sensory overload which can be upsetting or uncomfortable for people with Autism.

This can often be particularly stressful for families with young children with Autism, who have little choice but to bring their children on the weekly grocery run. However, it is a great way to teach them life skills and enhance their learning. In 2018, we were delighted to play our part by rolling out autism awareness evenings in all our stores. **Autism Aware Evenings** take place every Tuesday from 6-8pm across the island of Ireland, providing a calmer shopping environment, including:

- Reduced lighting**
- No music or announcements**
- Lower till scan sounds**
- Priority queuing and additional assistance**
- Always welcome assistance dogs**

To further support Autism Awareness locally, in 2019, we are sponsoring two Autism Assistance dogs. Through this initiative, we will develop a range of educational videos for customers and employees to build familiarity and heightened awareness around autism generally and to highlight the positive contribution that these dogs can play in family life.

**MY SON HARRY IS FIVE AND WE USE THE AUTISM QUIET EVENINGS FOR SHOPPING TOGETHER WITHOUT JUDGEMENT IN A NICE ENVIRONMENT WHERE I KNOW THERE WILL BE NO LOUD NOISES FOR HARRY. WE COME UP AGAINST MANY BATTLES EACH WEEK AND THIS IS ONE OFF THE LIST.**

**Sinead Hughes**, Customer Service, Lidl Ireland



Our sponsored pup Yogi with store manager Dzianis Baranouski and fosterer Michelle McCaffrey in our Childer's Road store

# CUSTOMER AND SOCIETY VOLUNTEERING

WE ENCOURAGE TEAM BUILDING ACROSS A RANGE OF LOCAL COMMUNITY-FOCUSED INITIATIVES. EVERY LIDL TEAM MEMBER PLAYS A VITAL ROLE IN DELIVERING A WIDE RANGE OF INITIATIVES FOR ALL OUR COMMUNITIES AND WE ARE GRATEFUL FOR THE SUPPORT, SPIRIT AND PASSION THEY SHOW. WE HAVE A DEDICATED VOLUNTEERING PROGRAMME THAT OFFERS EMPLOYEES THE OPPORTUNITY TO ENJOY A DAY VOLUNTEERING, FULLY PAID, WHETHER WITH ONE OF OUR CHARITY PARTNERS OR WITH A CHARITABLE OR ENVIRONMENTAL ORGANISATION CLOSE TO OUR EMPLOYEES' HEART. IT IS A GREAT WAY FOR OUR EMPLOYEES TO PROVIDE ADDITIONAL COMMUNITY SUPPORT.



## Lidl Gets Gleaning!

Working in conjunction with our long-term supplier Meade and our partner FoodCloud, Lidl became a pioneer for gleaning, where Lidl volunteers visit the Meade farm to collect produce that mechanical means have left behind in the harvest.



## Beach Clean-Up

Employees from our Bangor store volunteered for a beach clean-up at Ballyholme beach in Bangor, Co. Down. Using their paid volunteer day, employees were able to benefit both the environment and the local community - not to mention having a team great day out.

Highlight



## Industry recognition

It is also important that we share and collaborate with other businesses and Government departments, as such we are members of the Government-led Retail Action Group on Food Waste and CSR Stakeholder Forum.

Lidl's work in creating a better tomorrow for the communities in which it operates in has been recognised and applauded externally. In 2018, Lidl was awarded the coveted 'Outstanding Achievement in Corporate Social Responsibility' at the Chambers Ireland CSR Awards, retained the award for Excellence in Environment and also won the Excellence in Community. Also, in 2018, the retailer picked up the 'Green Retailer of the Year' and 'Excellence in Waste Management' awards at the Green Awards 2018.

# CUSTOMER AND RESPONSIBLE COMMUNICATIONS

**OUR SUSTAINABILITY ACTIVITIES ARE REGULARLY COMMUNICATED THROUGH A VARIETY OF CHANNELS – SOCIAL MEDIA, WEBSITE, ON OUR STORE LEAFLETS AND BILLBOARDS AND IN THE MEDIA. WE UTILISE TARGETED CONTENT THROUGH THE FOLLOWING SOCIAL MEDIA CHANNELS: FACEBOOK, TWITTER, INSTAGRAM AND LINKEDIN.**

We link this content to our bespoke CSR websites [www.lidl.ie/CSR](http://www.lidl.ie/CSR) in Ireland and [www.lidl-ni.co.uk/CSR](http://www.lidl-ni.co.uk/CSR) in Northern Ireland, where customers and stakeholders can learn more about our initiatives, policies and challenges as well as provide feedback.

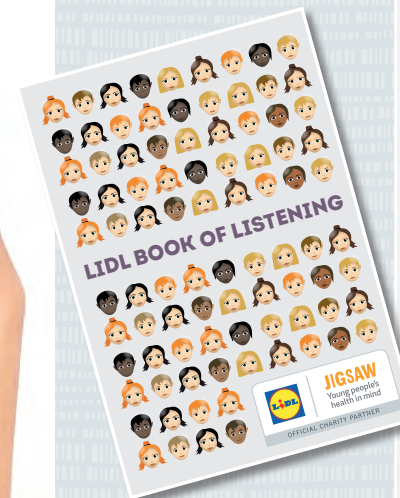
We are keen to inform customers about our progress but also provide engaging information about sustainability topics; from useful tips on how to prevent food waste in the home to informing customers on supporting young people's mental health and encouraging them to save energy. Internally we communicate our initiatives, generate engagements, share our achievements and recognise employees' contributions through our internal communications channels such as our intranet, quarterly magazine, employee app and celebration events like the National Achievement Awards.




Highlight

## Lidl Book of Listening

A good example of how we can use our broad reach for positive change is through our partnership with Jigsaw, the National Centre for Youth Mental Health. Not only are we pledging to fundraise €1 million for Jigsaw, we want to educate adults about how they can support young people by being OneGoodAdult. In conjunction with our charity partner, we developed an advertising campaign educating adults on 'Listening'. The campaign reached millions of people across Ireland through radio, social media and our 'Lidl Book of Listening' handed out in stores.



**YOU DON'T NEED ALL THE ANSWERS WHEN TALKING TO A YOUNG** 

**IS THE ANSWER.**

Pick up your Lidl Book of Listening in-store. #OneGoodAdult



MENTAL HEALTH WEEK 7th -13th OCTOBER 2018

# OVERVIEW REPORTING

## About This Report

This report has been prepared in accordance with the GRI Standards: Core option. The GRI is an independent international organisation, whose standards represent global best practice for reporting on a range of economic, environmental and social impacts. This is Lidl Ireland's and Lidl Northern Ireland's first report in accordance with GRI so no restatements will be reported.<sup>7,8</sup>

## Design and Scope

This report was designed to achieve the following objectives:

- Communicate Lidl's efforts to benefit society through our products, services, and community initiatives
- Track Lidl's progress across our programmes, initiatives, goals and commitments
- Share Lidl's plans going forward, including sustainability targets and ambitions

## Reporting Period

The reporting year for Lidl Ireland and Lidl Northern Ireland is March to February each year. All figures disclosed will be reported based on the Lidl financial year. Where data allows, we will also report for the previous two financial years.

## Reporting Reach

This report will disclose data collected for all Lidl stores, distribution centres and head office. All indicators reported will specify where the data was collated from for clarity.

## Assurance

EY completed a limited assurance assessment on selected disclosures in this report. Compliance with this report was verified for these selected disclosures in accordance with the International Standard for Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000).



## Independent Assurance Statement

to Lidl Ireland GmbH and Lidl Northern Ireland GmbH

EY ('we') were engaged by Lidl Ireland GmbH and Lidl Northern Ireland GmbH ('Lidl') to provide limited assurance over selected Subject Matter Information for the year end 28 February 2019.

### Subject Matter Information

The scope of our work includes only the information included within the Sustainability Report ('the Report') for the year ended 28 February 2019 marked with the symbol <sup>A</sup> ('the Subject Matter Information').

### Respective responsibilities

Lidl management is responsible for the collection and presentation of the information within the Report. Lidl management is also responsible for the design, implementation and maintenance of internal controls relevant to the preparation of the Report, so that it is free from material misstatement, whether due to fraud or error. Lidl management is also responsible for measuring and reporting the Subject Matter Information in accordance with the Global Reporting Initiative (GRI) Standards – Core Option (the 'Reporting Criteria'). Our responsibility is to plan and perform our work to obtain limited assurance about whether the Subject Matter Information has been prepared in accordance with the Reporting Criteria and to report to Lidl in the form of an independent limited assurance conclusion based on the work performed and the evidence obtained.

We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third-party may place on the Report is entirely at its own risk.

### Assurance Standards

Our assurance engagement has been planned and performed in accordance with the International Standard for Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000). The Subject Matter Information has been evaluated against the following criteria:

- ▶ **Completeness:** Whether all material data sources have been included and that boundary definitions have been appropriately interpreted and applied.
- ▶ **Consistency:** Whether the scope and definitions for the Subject Matter Information have been consistently applied to the data.
- ▶ **Accuracy:** Whether the data has been accurately collated by Lidl management, and whether there is supporting information for the data reported by stores to Lidl management.

### Summary of work performed

The procedures we performed were based on our professional judgement and included, but are not limited to, the following:

- ▶ Interviewed management to understand the key processes, systems and controls in place for the preparation of Subject Matter Information.
- ▶ Performed a review of the data management systems, tested reasonableness of conversion factors applied, reviewed alignment with the Reporting Criteria and conducted analytical review procedures over the Subject Matter Information.

<sup>7</sup> GRI 102-48, <sup>8</sup> GRI 102-19

- ▶ Undertook site visit to Lidl’s Head Office to understand the process of data collection and reporting from store level to head office.
- ▶ Agreed sample selection to supporting documentation, and re-performed calculations.
- ▶ Assessed the appropriateness of the Reporting Criteria for Subject Matter Information.
- ▶ Reviewed the Report for the appropriate presentation of the Subject Matter Information, including the discussion of limitations and assumptions relating to the data presented.

**Limitations of our review**

Our evidence gathering procedures were designed to obtain a ‘limited level’ of assurance (as set out in ISAE3000) on which to base our conclusions. The extent of evidence gathering procedures performed is less than that of a reasonable assurance engagement and therefore a lower level of assurance is provided.

Completion of our testing activities has involved placing reliance on Lidl’s controls for managing and reporting Subject Matter Information, with the degree of reliance informed by the results of our review of the effectiveness of these controls. We have not sought to review systems and controls at Lidl beyond those used for the Subject Matter Information.

The responsibility for the prevention and detection of fraud, error and non-compliance with laws or regulations rests with Lidl management. Our work should not be relied upon to disclose all such material misstatements, frauds, errors or instances of non-compliance that may exist.

**Conclusion**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Reporting Criteria, which were applied by management.

**Our independence**

We have implemented measures to comply with IFAC *Code of Ethics for Professional Accountants*<sup>1</sup>. We also adhere to the professional competence rules as articulated in the ISQC (UK & Ireland) 1: *Quality control for firms that perform audits and reviews of financial statements and other assurance and related service engagements*<sup>2</sup>.

Accordingly, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements and professional standards (including independence, and other requirements) as well as applicable legal and regulatory requirements.

Ernst & Young, Dublin  
01 July 2019

<sup>1</sup> International Federation of Accountants: The International Code of Ethics for Professional Accountants

<sup>2</sup> Financial Reporting Council International Standard on Quality Control 1 (ISQC1)

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For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.



GRI Standard	Disclosure	Page	Answers
<b>General Disclosures</b>			
<b>Stakeholder Engagement</b>			
102-40	List of stakeholder groups	14	
102-41	Collective bargaining agreements		<i>None of the employees of Lidl Ireland GmbH and Northern Ireland GmbH are covered by collective bargaining agreements.</i>
102-42	Identifying and selecting stakeholders	14	
102-43	Approach to stakeholder engagement	14, 15	
102-44	Key topics and concerns raised	15	
<b>Reporting Practice</b>			
102-45	Entities included in the consolidated financial statements		<i>Lidl Ireland and Lidl Northern Ireland are the only entities reported in this report. Annual financial statements are consolidated at a group level.</i>
102-46	Defining report content and topic Boundaries	15	
102-47	List of material topics	15	
102-48	Restatements of information	60	
102-49	Changes in reporting	60	
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<b>Material Topics</b>			
<b>Local Development</b>			
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GRI 203 Indirect Economic Impacts 2016 2016	203-1	Infrastructure investments and services supported	09
<b>Local Sourcing</b>			
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GRI 302 Energy 2016	302-1	Energy consumption within the organisation <sup>A</sup>	40
<b>Climate Protection</b>			
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its Boundary	37
	103-2	The management approach and its components	37
	103-3	Evaluation of the management approach	37
GRI 305 Emissions 2016	305-1	Direct (Scope 1) GHG emissions	37
GRI 305 Emissions 2016	305-2	Energy indirect (Scope 2) GHG emissions	37

<sup>A</sup> Audited by EY

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<b>Human Rights in Supply Chain</b>			
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its Boundary	30
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GRI 409 Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	32
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<b>Local Communities</b>			
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GRI 413 Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	52-58

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<b>Material Topics</b>			
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	103-3	Evaluation of the management approach	26
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GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its Boundary	43
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	103-3	Evaluation of the management approach	44
Lidl Specific	Food Waste Stores		
		Total volume of food waste donated from stores <sup>Δ</sup>	44
Lidl Specific	Food Waste Distribution Centres		
		Total volume of food waste donated from distribution centres	44

<sup>Δ</sup> Audited by EY

Thank you for reading our sustainability report.  
If you have any feedback, please contact us:

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